Dear Shareholder

Proposed merger of EastPack Limited and Satara Co-operative Group Limited

Even though a merger between EastPack and Satara has been proposed before, we believe this new merger proposal deserves your very serious consideration and, ultimately, your support. The proposed merger will benefit both sets of shareholders and will put the resulting grower owned company into a much stronger financial position relative to the standalone positions of EastPack and Satara.

Kiwifruit growing and post-harvest operations reflect a rapidly changing environment. Growers need every extra dollar to help them survive in an environment with a high New Zealand dollar and high Psa related growing costs, which challenge their ability to obtain high yields. We know this merger proposal will help achieve that objective and that the shareholders and growers of both companies will be significantly better off than if the companies continue to operate separately. For EastPack shareholders it underpins the sustainability of low packing prices, good orchard gate returns (OGRs) and return on investment. For Satara shareholders there is the receipt of the same benefits. This is the primary driver of this merger proposal.

The key objectives of the merger are:

- Create a stronger single entity through improved performance by utilising the best people, assets and technology from both companies.
- For Satara, a return to being a grower owned company, investing in assets that benefit growers, and returning surpluses to growers via rebates and dividends.
- Create a single, co-operative minded company totally committed to the SPE model that has the critical mass to drive significant cost savings through the supply chain.

What has happened since our previous EastPack / Satara merger proposal in 2010?

- Psa has adversely affected kiwifruit volumes, but we have developed a much better understanding of it and the consequences.
- Both EastPack and Satara have significantly reduced debt levels – meaning that the enlarged group will have a relatively low debt level compared with the previous proposition.
- Satara's non grower investor shareholders are offered a fair price to exit recognising the lower prospects for return in the current environment. This further reduces debt in the merged company compared with the previous merger proposal, which the grower owned company needs to service.
- The drop in industry volume is challenging the viability of post harvest operators in a lower margin environment due to reduced pricing. This offers the opportunity for smart operators

to combine their resources, reduce costs and operate more efficiently for the benefit of growers.

EastPack has proved its ability to pack, coolstore and achieve quality outturns with very low fruit loss by processing 19m - 21m export trays through its three existing sites. It has consistently produced top OGRs, and relatively high profit and returns to its investor shareholders. At the same time this success has enabled it to make major capital investment in modern facilities and reduce debt without selling assets.

This performance advantage is accentuated with high volume throughput. This is where the advantage lies for both sets of shareholders. For EastPack shareholders the merger assists in maintaining high OGRs and returns and for Satara it puts them on a par. We believe significant improvements per tray can be achieved by processing your fruit through efficient, highly utilised sites with scale under the merged company.

This merger also has the potential of being industry transformational. It has every prospect of being a grower owned co-operative with leading performance which will be hard for competitors to match. EastPack has made major efficiency gains and quality improvement through its “Growing Excellence” program. This has enabled it to reduce its packing charges to all its growers in 2012 and maintain an excellent level of profitability. We feel that the same result with the merged company will lead to a stronger grower owned co-operative, leading post-harvest consolidation. This needs to happen to provide growers with the lowest cost of packing possible, quality processing and the best facilities.

The merged company will have better financial strength to enable it to quickly upscale with modern efficient capacity if kiwifruit volumes recover and grow in the future. It will be a company that is totally focused on its grower owners' needs and will be in a better position to meet their expectations for quality processing, higher OGRs, low packing prices and a return on their investment. These are some key advantages of this merger compared with continued separate operation in the current industry environment.

For Satara shareholders, it is intended that all existing grower service representatives, the Satara management team and Satara orchard managers will continue to be employed within the enlarged group following the merger.

We see the merged grower owned co-operative being more aligned to the ownership of ZESPRI - as close as we growers can get to a vertically integrated industry model. We see benefits in terms of supply chain efficiency and cost savings by working with ZESPRI to reduce wastage.

The merger proposal offers Satara’s grower shareholders:

- One fully paid EastPack Transactor share for each dollar paid up on Satara Transactor shares held.
- One EastPack Investor share for each Satara Investor share held.
- A 5¢ fully imputed special dividend for each Satara Investor share held.
- The opportunity to purchase some additional EastPack Investor shares at 65c per share.

The merger proposal offers Satara's non-grower investor shareholders (and certain grower investor shareholders holding excess Investor shares):

- 60¢ per Investor share (56¢ payable by EastPack within five business days of the effective merger date (mid-March) and 4¢ payable by EastPack or EastPack Satara Limited (a subsidiary of EastPack) on 30 June 2014); and
- A 5¢ fully imputed special dividend.

For Satara's non-grower investor shareholders this merger offers an opportunity to exit their investment in Satara at a fair price, considering the current prospects for kiwifruit post harvest, at a substantial premium to the recent market price for traded Satara Investor shares. If the merger does not proceed, the prospects for a return on these shareholders' investment is low given the reduced pricing, low volumes and intense competition that prevails at present. This environment is unlikely to be conducive to an increase in the market price for these shares.

Two Satara nominated Directors will be part of the EastPack Board. Satara grower representatives will join the merged company's grower entity trust. Representation on the trust will be roughly aligned to supply. This trust has a significant influence on Board policy regarding packing policies and pooling arrangements.

The merger will represent a return to grower ownership for Satara. The merged company is and will be able to focus on growers' requirements. Growers' money will be invested in facilities to best handle growers' fruit and surpluses will be returned to growers as rebates and dividends after prudent debt reduction. We believe that this is what growers want and the merged company will be better placed to deliver more positive results for you now and into the future.

Merger synergies will mean that the merged company will be able to make cost savings overall. This will not be at the expense of quality or service. These will remain the higher priority - once again – what growers want.

We summarise below what EastPack has delivered for its shareholders and growers in the last five years:

Season	Dividends paid per Investor share (Gross)	Rebate
2008	13¢	0.20
2009	13¢	0.25
2010	15¢	0.30
2011	15¢	0.30
2012 forecast	15¢	0.20

Over the same time EastPack has spent $30 million on capital improvements to its three sites and reduced debt by $19 million over five years to approximately $5 million as at 31st December 2012. In 2012 the company reduced its packing charges by over 23c per tray on all Class 1 trays.

Best of all, you as a grower will retain control of your post-harvest facility and will receive the benefits from a model that we know works. The time is right and if we have the courage to take this step we will be the first to set the pattern of logical, beneficial post-harvest consolidation delivering greater benefits to you as growers and owners.

As we said above, your boards believe that this merger is in the best interests of all shareholders. Nevertheless, we recognise that during a period of industry turmoil, some shareholders may have initial concerns. If you have any doubts about the merits of the merger, we strongly urge you to reserve your judgement until you have attended the meetings convened and given us the opportunity to answer any questions you may have.

Further information on the merger is contained within the Information Pack accompanying this letter. This includes an Investment Statement containing answers to various key questions. It is important that you read the Information Pack.

We look forward to talking with you about the details of this proposal at those meetings.

Yours faithfully

R B Sharp	H J Pieters
Chairman	Chairman
EastPack Limited	Satara Co-Operative Group Limited