

10 July 2007

Mr C Swasbrook
Elevation Capital Management Ltd
PO Box 911145,
AUCKLAND 1010



Dear Chris,

The Board discussed your letter at our most recent meeting, and I am now writing to you to respond specifically to some of the issues you raised.

Disclosure

The Board reviews its disclosure obligations at each meeting and is comfortable that we are in compliance with NZAX Listing Rule 10.1.1 relating to continuous disclosure of material information.

General communication with our growers occurs via a publication called "Kiwifruit Cultivate" and through "Bravo Offshoot" newsletters. These contain information relating to industry matters, harvesting, production, shipping and fruit loss. Current publications and back issues can be accessed through our website and will provide you with further information regarding our general operations.

Industry Consolidation

As announced at the Annual Shareholder Meeting, Satara continues to explore merger options that would be value accretive to our shareholders as and when opportunities arise.

The Board's experience and professionalism will ensure that any transactions considered are handled in an appropriate manner and in accordance with our responsibilities and obligations as Directors.

Capital Review

The company is in the process of undertaking a capital review focussed on its properties and the returns generated on those assets. This review is occurring as part of the five year strategic plan to consolidate our operating sites from seven to five locations.

Progress, and any decisions made, will be communicated to shareholders at the appropriate time.

Capital Structure

Satara has been a co-operative since its inception in 1971 and this model has attracted and retained growers over the years. The co-operative element of the hybrid structure underpins the high level of grower support this company holds. The Board are committed to the current structure and any change is not under consideration.

The Board are aware that the company's shares trade at a discount to the net asset value. This is a situation which the Board are keen to address. Whilst the traded price of the company's shares is beyond our direct control, we remain confident that the generation of strong earnings per share and return on capital will help to drive the share price.

The company's capital charge and distribution policy are well established and well publicised. You would have been aware of these arrangements when investing in the company. Both are subject to a regular annual review, and I have asked management to consider your comments when they undertake this exercise again for the 2007 financial year.

I would recommend that you stay in contact with management during the year and take advantage of any meetings to raise your comments directly with them as many of our other shareholders do.

Yours sincerely,



Andrew Fenton
Chairman of the Board
Satara Co-operative Group Ltd