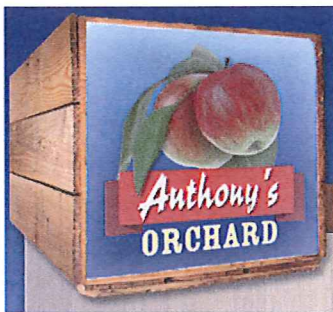




Welcome to Anthony's Orchard of Wenatchee Valley, Washington! From pick-your-own apples to our hands-on agricultural classroom programs, you'll always find something great at the orchard. Check out our Events and Programs page for seasonal activities, or visit our store year-round.





Our Apples

Our Apples

Because Anthony's Orchard is a family run orchard, we grow every apple to be delicious and healthy for you and your family just like we would for ours. We choose only the highest-quality trees and carefully select varieties that thrive in Wenatchee Valley.

Anthony's Orchard currently features:

Braeburn

These beautiful red-orange apples burst with flavors that are both sweet and crisp. One bite is all you'll need to discover that Braeburn apples make a perfect snack for you or the kids. A hybrid descended from the Granny Smith variety, they also retain some of that apple's signature tartness and are ideal for cooking in desserts and applesauce.

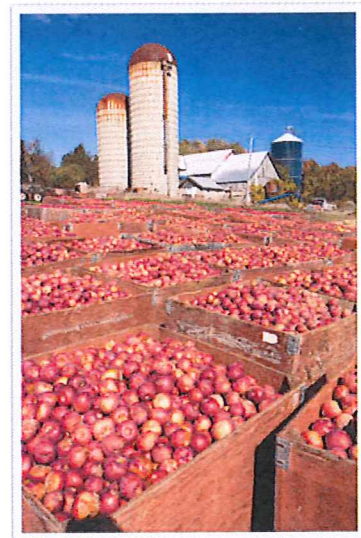
- **Chomp or cook:** perfect for both!
- **Season:** October - July

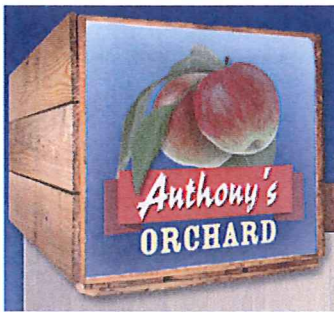
Honeycrisp

Intense flavors and unique colors combine in this versatile apple. A mix of green and red colors complement the mix of sweet and tart flavors. Although small in size, Honeycrisp lives up to its namesake with a sweet and crunchy experience waiting in every bite. The tart flavors and dense texture also work great in your favorite pies or applesauce.

All Anthony's Orchard apple pies feature fresh and delicious Honeycrisp apples right from our orchard.

- **Chomp or cook:** perfect for both!
- **Season:** October - May





Apple Products

Prepared Apple Products Just Like Mom's

At Anthony's Orchard, we use time-honored family recipes to make all of our apple products. The result? Simply amazing pies and applesauce made with fresh and natural ingredients. The only thing missing is mom's oven.

Apple Pie Filling

Treat your family to a hot, fresh apple pie without the hassle using our prepared apple pie filling. We start with our freshly picked Honeycrisp apples; wash, core, and dice them; and prepare the filling with our secret family recipe, all in our own kitchen.

Available now in our orchard store and at local retailers.

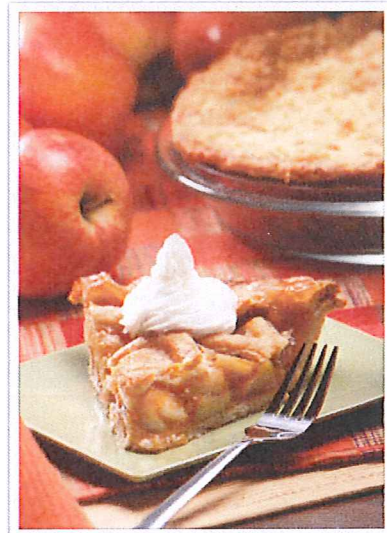
Applesauce

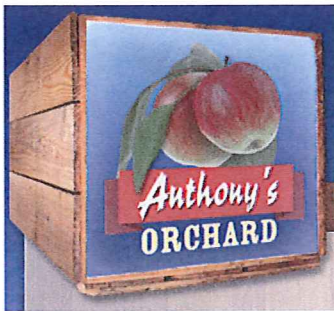
Hot or cold, applesauce is a year-round treat. Our Braeburn and Honeycrisp apples give just enough sweet and tart flavors for a refreshing applesauce that's perfect for breakfast, lunch, dinner, or dessert.

Available now in our orchard store and at local retailers.

Where to Find Our Apple Products

Anthony's Orchard works with a several national retail outlets. Just look for our logo next time you're in the apple aisle at your local market!





Events and Programs

Pick Your Own Apples

Bring the whole family and pick as many apples as you can carry. The orchard is open during apple season 8 a.m. to 6 p.m. daily. We sell all of our apple varieties by the pound. Bring your own bag and we offer a discount.

Thanks to all the wonderful folks who continue visiting our Orchard.

See you soon!

CSA Program, May - August

Our Community Supported Agriculture (CSA) program is a win-win for you and for us. You get the best selection of our apples, picked and delivered weekly right to your door. And you help Anthony's Orchard by becoming a loyal patron of our hard work.

We'll deliver your CSA every Wednesday through our peak season, May – June for our Honeycrisp apples and July – August for our Braeburn apples. You can participate in our CSA as a full share member (for a family of four) or half share member (for a family of two):

- Full share: 2 dozen per week, £10
- Half share: 1 dozen per week, £5

For more information visit our store or look for a flyer at your local market

Fall Harvest Festival, October 1 - 31

Join us for our annual Fall Harvest Festival during the month of October with tricks and treats for the young and the young at heart. Take a spooktacular hayride through the orchard and over to our pumpkin patch, where you can pick out your very own future jack-o-lantern. Just watch out for our very own phantom of the orchard, old Apple Lloyd Webber!

Educational Programs

Turn our orchard into your classroom with special programs designed to enhance learning and build appreciation for farming and agriculture. Guided tours through the orchard and production facilities offer students an opportunity to learn more about where their food comes from and how it moves from the field to the market. We'll also work with you to tailor the lessons to meet the needs of your class' age group and your curriculum.





Welcome to the Apple Store

You'll find plenty of our fresh apples, apple products, and other items like kitchen tools designed to help you turn apples into awesome.

Products:

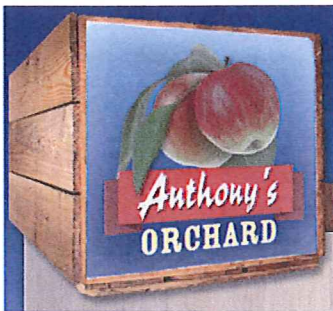
- Fresh Braeburn and Honeycrisp apples from our orchard (available year-round)
- Apple pie filling
- Applesauce
- Cookbooks
- Apple presses, peelers, and corers
- Other apple merchandise



Note: exact product selection may vary.

Store Hours: 7 days a week, 8 a.m. to 6 p.m.

Location: Once you arrive at the orchard, turn left and follow the road to the big red barn. Look for the red door on the right.



About Us

About Anthony's Orchard

Anthony's Orchards is a 3rd-generation, family-owned 6,000-acre orchard situated in Wenatchee Valley, the heart of apple producing in Washington State. Surrounded by gently rolling mountains Anthony's Orchard has been growing apples in the valley for over 60 years. Our waterfront orchards line the region's rushing rivers. The nutrient-rich soil and our advanced growing practices provide the right mix for producing some of the world's top-quality apples. Washington State has been known for its apples and produces a wide variety. At Anthony's Orchard, we have focused on two varieties of apples: Braeburn and Honeycrisp.

Mission Statement

Our mission is to continually enhance consumers' awareness of apples and apple orchards.

Vision Statement

Our vision is to provide the best apple products and services to our customers and generate returns for our shareholders, while enhancing the well being of our community.

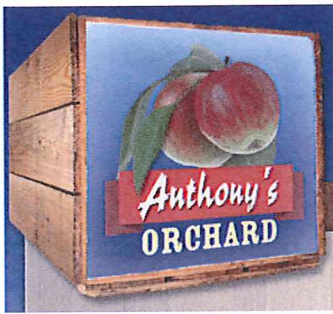
Careers at Anthony's Orchard

Looking for a fulfilling career in apples? It may not be the Big Apple, but in addition to a great benefits package, Anthony's Orchard offers all the clean air and fresh fruit you could ever want.

Investor Information

Crunch into the financial information on our Investor Relations page. You'll find the data as crisp and fresh as this morning's harvest.





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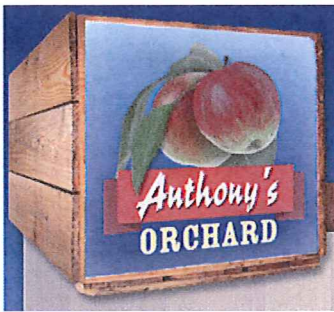
See our plan to cultivate and grow financial success through cultivating and growing apples and apple product lines

Financial Information and Charts

See our current year budget and costs information

- [Budget Overview](#)
- [Auditing Overview](#)





Budgets

Budgeted Income Statement				
	Prepared Apple Products	Pick Your Own Apples	Community Events*	Total
Net Revenue	\$ 8,749,250	\$ 3,248,700	\$ 2,499,695	\$ 14,497,645
Less:				
Cost of Goods Sold	(7,692,215)	(2,682,356)	(1,536,073)	(11,910,643)
Gross margin	1,057,035	566,345	963,623	2,587,002
	12%	17%	39%	18%
Less:				
Administration costs*				(1,405,000)
Interest on debt				(316,140)
Net income before taxes				865,862
Income taxes (40%)				(346,345)
Net income				519,517

* Includes CSA, Educational programs, and festivals

Budgeted Cash Flows					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full Year
Sales in the Quarter	\$ 3,624,411	\$ 3,624,411	\$ 3,624,411	\$ 3,624,411	\$ 14,497,645
75% collected in this quarter	2,718,308	2,718,308	2,718,308	2,718,308	10,873,234
25% collected from last quarter	950,000	906,103	906,103	906,103	3,668,308
Cash from sales	3,668,308	3,624,411	3,624,411	3,624,411	14,541,542
Less:					
Apple purchases	8,617,033	-	-	-	8,617,033
Direct labor	304,380	304,380	304,380	-	913,140
Other ingredients	31,433	31,433	31,433	-	94,300
Variable overhead	513,000	513,000	513,000	-	1,539,000
Fixed factory overhead	181,250	181,250	181,250	181,250	725,000
Administrative costs	351,250	351,250	351,250	351,250	1,405,000
Income taxes	86,586	86,586	86,586	86,586	346,345
Total cash expenses before interest	10,084,933	1,467,900	1,467,900	619,086	13,639,818
Cash Flow from Operations	(6,416,624)	2,156,512	2,156,512	3,005,325	901,724
Beginning Cash Balance	1,750,000	500,000	500,000	500,000	
Less: minimum cash reserves	500,000	500,000	500,000	500,000	
Cash available for operations	1,250,000	-	-	-	
New short-term borrowings	5,166,624	-	-	-	
Repayment of loan and interest	-	2,156,512	2,156,512	1,169,662	
Outstanding loan balance	5,166,624	3,010,112	853,601	-	
Interest at 3.5% per quarter	180,832	105,354	29,876	-	
Capital expenditures*	-	-	-	950,000	
Ending cash balance	500,000	500,000	500,000	1,385,663	

*Company is planning to purchase an apple press, which is expected to have a seven-year life and no salvage value. Company uses a 8% cost of capital estimate. This press will be purchased and owned by our Prepared Products group.

	COGS Budget		
	Prepared Apple Products	Pick your Own Apples	Community Events
Beginning Inventory	1,100,000	750,000	180,170
Cost of goods processed:			
Direct labor cost	913,140		
Direct materials cost	4,522,575	2,657,856	1,530,903
Factory overhead cost	2,264,000	-	-
Total Cost of processing	7,699,715	2,657,856	1,530,903
Available for sale	8,799,715	3,407,856	1,711,073
Less: Ending inventory	(1,107,500)	(725,500)	(175,000)
Cost of goods sold	7,692,215	2,682,356	1,536,073

Budgeted Balance Sheet

	YE 9/30/11
Cash	\$ 1,750,000
Accounts receivable	950,000
Inventory:	
Prepared Apple Products	1,100,000
Pick your Own Apples	750,000
Community Events	180,170
Total Inventory	2,030,170
Fixed Assets	2,830,000
Total Assets	7,560,170
Accounts payable	1,475,000
Long-term debt	2,150,000
Total liabilities	3,625,000
Shareholder Equity	3,935,170
Total Liabilities & Equity	7,560,170

*Note that Anthony's Orchard has long term debt for 30 years, which it has not begun to pay back.

Administrative Budget

Technology	430,000
Marketing	300,000
Executive Team	300,000
Finance	175,000
Facilities	125,000
Procurement	75,000
	1,405,000

Transfer Pricing

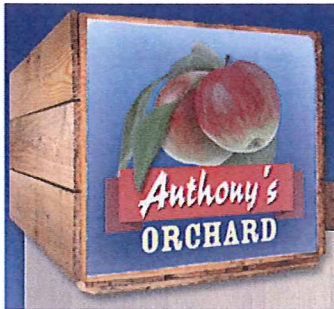
Usage by operating division	Technology	Marketing	Executive team	Finance	Facilities	Procurement
Prepared Apple Products	20%	30%	30%	15%	40%	30%
Pick your Own Apples	15%	30%	20%	50%	20%	30%
Community Events	25%	40%	25%	10%	15%	15%
Finance	10%	0%	5%	0%	5%	5%
Marketing	15%	0%	5%	5%	5%	5%
Executive team	5%	0%	0%	5%	5%	5%
Technology	0%	0%	5%	5%	5%	5%
Procurement	5%	0%	5%	5%	5%	0%
Facilities	5%	0%	5%	5%	0%	5%
	100%	100%	100%	100%	100%	100%

Step Down method:

Explore two options of allocating in the following order:

Technology, Marketing, Executive team, Finance, Facilities, Procurement

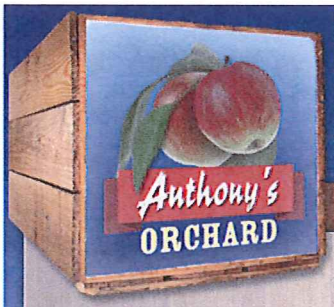
Executive team, Finance, Technology, Facilities, Procurement, Marketing



Previous Year Financial

	Direct Materials 2010		
	Prepared Apple Products	Pick your Own Apples	Community Events
Cost of Apples			
Thousands of pounds of Braeburn	6,000	4,550	-
X average cost of Braeburn	\$ 362.00	\$ 362.00	\$ 362.00
	\$ 2,172,000	\$ 1,647,100	\$ -
Thousands of pounds of Honeycrisp	3,950	225	-
X average cost of Honeycrisp	\$ 360.00	\$ 360.00	\$ 360.00
	\$ 1,422,000	\$ 81,000	\$ -
Total cost of apples	<u>\$ 3,594,000</u>	<u>\$ 1,728,100</u>	<u>\$ -</u>
Cost of other Ingredients			
Cost per case	\$ 0.40	\$ -	\$ -
X Number of cases	179,000	-	-
	\$ 71,600	\$ -	\$ -
Total Direct Materials cost	<u>\$ 3,665,600</u>	<u>\$ 1,728,100</u>	<u>\$ -</u>

	Direct Labor 2010		
	Prepared Apple Products	Pick your Own Apples	Community Events
Inspection, washing, peeling, coring	0.24	-	-
Saucing	0.10	-	-
Dicing	0.10	-	-
Cooking	0.12	-	-
Canning	0.10	-	-
Total hours per case	<u>0.66</u>	<u>-</u>	<u>-</u>
X # of cases	179,000	-	-
# of labor hours	<u>118,140.00</u>	<u>-</u>	<u>-</u>
X labor rate	\$ 8.80	\$ 8.80	\$ 8.80
Total labor cost	<u>\$ 1,039,632.00</u>	<u>\$ -</u>	<u>\$ -</u>



Current Year Financial

	Direct Materials 2011		
	Prepared Apple Products	Pick your Own Apples	Community Events
Cost of Apples			
Thousands of pounds of Braeburn	6,300	4,700	2,250
X average cost of Braeburn	\$ 358.00	\$ 358.00	\$ 358.00
	\$ 2,255,400	\$ 1,682,600	\$ 805,500
Thousands of pounds of Honeycrisp	4,150	2,500	1,725
X average cost of Honeycrisp	\$ 380.99	\$ 380.99	\$ 380.99
	\$ 1,581,109	\$ 952,475	\$ 657,208
Total cost of apples	\$ 3,836,509	\$ 2,635,075	\$ 1,462,708
Cost of other Ingredients			
Cost per case	\$ 0.44	\$ -	\$ -
X Number of cases	190,000		
	\$ 83,600	\$ -	\$ -
Total Direct Materials cost	\$ 3,920,109	\$ 2,635,075	\$ 1,462,708

	Direct Labor 2011		
	Prepared Apple Products	Pick your Own Apples	Community Events
Inspection, washing, peeling, coring	0.20	-	-
Saucing	0.08	-	-
Dicing	0.04	-	-
Cooking	0.12	-	-
Canning	0.10	-	-
Total hours per case	0.54	-	-
X # of cases	190,000	-	-
# of labor hours	102,600.00	-	-
X labor rate	\$ 8.85	\$ 8.85	\$ 8.85
Total labor cost	\$ 908,010.00	\$ -	\$ -

	2011 Income Statement			
	Prepared Apple Products	Pick Your Own Apples	Community Events*	Total
Net Revenue	\$ 6,621,468	\$ 2,273,180	\$ 2,110,560	\$ 11,005,208
Less:				
Cost of Goods Sold	(5,909,619)	(1,909,575)	(1,287,708)	(9,106,901)
Gross margin	711,850	363,605	822,852	1,898,307
	11%	16%	39%	17%
Less:				
Administration costs**				(1,045,000)
Interest on debt				(234,728)
Net income before taxes				618,579
Income taxes (40%)				(247,432)
Net income				371,147

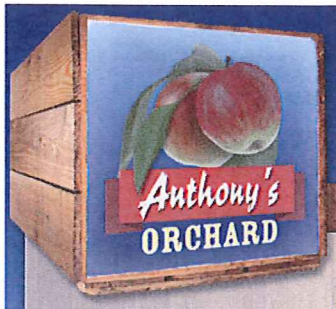
* Includes CSA, Educational programs, and festivals

	2011 Sales		
	Cases sold	Price/Case	Actual Revenue
Prepared Apple Products	157,654	\$ 42.00	\$ 6,621,468
Pick Your Own Apples	17,486	\$ 130.00	\$ 2,273,180
Community Events	4,397	\$ 480.00	\$ 2,110,560
			\$ 11,005,208

2011 Cash Flows					
	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>Full Year</u>
Sales in the Quarter	\$ 2,751,302	\$ 2,751,302	\$ 2,751,302	\$ 2,751,302	\$ 11,005,208
75% collected in this quarter	2,063,477	2,063,477	2,063,477	2,063,477	8,253,906
25% collected from last quarter	650,000	687,826	687,826	687,826	2,713,477
Cash from sales	2,713,477	2,751,302	2,751,302	2,751,302	10,967,383
Less:					
Apple purchases	7,934,291	-	-	-	7,934,291
Direct labor	302,670	302,670	302,670	-	908,010
Other ingredients	27,867	27,867	27,867	-	83,600
Variable overhead	513,000	513,000	513,000	-	1,539,000
Fixed factory overhead	162,500	162,500	162,500	162,500	650,000
Administrative costs	261,250	261,250	261,250	261,250	1,045,000
Income taxes	61,858	61,858	61,858	61,858	247,432
Total cash expenses before interest	9,263,436	1,329,145	1,329,145	485,608	12,407,333
Cash Flow from Operations	<u>(6,549,959)</u>	<u>1,422,157</u>	<u>1,422,157</u>	<u>2,265,694</u>	<u>(1,439,950)</u>
Beginning Cash Balance	3,392,286	500,000	500,000	500,000	
Less: minimum cash reserves	500,000	500,000	500,000	500,000	
Cash available for operations	2,892,286	-	-	-	
New short-term borrowings	3,657,673	-	-	-	
Repayment of loan and interest	-	1,422,157	1,422,157	1,048,087	
Outstanding loan balance	3,657,673	2,235,516	813,358	-	
Interest at 3.5% per quarter	128,019	78,243	28,468	-	
Capital expenditures*	-	-	-	-	
Ending cash balance	500,000	500,000	500,000	1,717,607	

*Company is planning to purchase an apple press, which is expected to have a seven-year life and no salvage value. Company uses a 8% cost of capital estimate. This press will be purchased and owned by our Prepared Products group.

	Prepared Apple Products	Pick your Own Apples	Community Events
COGS 2011			
Beginning Inventory			
Cost of goods processed:			
Direct labor cost	908,010		
Direct materials cost	3,920,109	2,635,075	1,462,708
Factory overhead cost	2,189,000	-	-
Total Cost of processing	<u>7,017,119</u>	<u>2,635,075</u>	<u>1,462,708</u>
Available for sale	7,017,119	2,635,075	1,462,708
Less: Ending inventory	<u>(1,107,500)</u>	<u>(725,500)</u>	<u>(175,000)</u>
Cost of goods sold	<u>5,909,619</u>	<u>1,909,575</u>	<u>1,287,708</u>



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