

SAM ADDAMO NAOLEGUTU AH-SAM SIMEONA AIONO ALIPA ALAPATI VINCENT ALOI DOMENIC ALOI PIO AMI LIAINA DEVANAND DREW ARAMOANA PAT ASHURST RITCHIE ASPINALL
 MATHEW ATTANA CHARLIE ATTANA ADAM ATTANA USO AVIIVII POKKULA BABU KERRY BAIRD DAVID BAKER JOHN BAKER RACHEL BARKER PETER BARRETT DAVID BARRIE
 JOE BASILE KELLY BEAZLEY CAROLINE BENDALL MIKE BEVERDIGE BEENA BHANA KELLI BILLION NICHOLAS BINGLE TOM BLAKEBOROUGH ANDREW BODY
 ROBERT BOLGE CAROL BONHAM JUSTIN BOOTH ROBERT BORSATO CHRISTOPHER BORSATO DANIEL BORSATO KIM BOUSTRIDGE SHAUN BOWIE MICHAEL BREITMEYER
 ANNA BRENNMUHL NEIL BRIDGENS GAYE BROOKER GRANT BROUGHTON BRIAN BUCHANAN RAHUL BUKSH TARELLA BURNS TRUDY BUTLER DAVID BYRNE GARY CABLE
 PHILIP CACHIA GRANT CADDIGAN ASHLEY CAIN FRANK CALABRESE RICHARD CAMERON WAYNE CAMPBELL GARTH CAMPBELL DANIEL CANFIELD JENNY CANNISTRA
 JOHN CARESWELL MURRAY CARSE ALBERT CHALMERS OWEN CHARLESTON JASON CHARTRES HELENA CHUNG JOHN CLARKE MATTHEW CLAUGHTON SAMUEL COFFEY
 KARL COLQUHOUN JOHN CONWAY ROCCO CORRONE GAVIN COSGRIFF MARK COSSAR BARRY CRAIG ROBERT CRAVEN GRANT CREIGHTON MARCELLO CRISARA LEITH CROOKS
 ANDREW CROSS LYNN CROZIER ANTONINA D'AGATA BRIAN DALE MARILYN DALE COLIN DAVIS SHANE DAVIS NACANI DEBALEVU MICHAEL DEBONO FRANK DEMARTE
 ROBERT DESCATOIRES JOE DEVLIN FRANCIS DI LEVA PETER DILKES JONATHAN DILLON LEON DODDS DAVID DOHNT PETR DOLEJSI NICK DRAZIC PHILLIPA DUNN DERRICK DYSON
 JAMES ELISARA EPATI ELISARA SOLI TAALOLO ETIMANI ADRIAN EVANS BRYCE EVANS PETER EVANS JOANNE EVERINGHAM JIM EVGENIADIS JULIE FALCHETTI ELISARA FALO
 WAYNE FARROW NINO FASANO LAURIE FEMIA TENNANT FENTON ANDREW FENTON ERIC FIELD DOUG FISHER JENNIFER FLOOD SENITULI FOLAUMOEOLOA SIONE FOLAU-POLE
 FA'ALEO FONUA ANGELA FRANCIS LINDSAY FRANCIS GEORGE FRANCIS ROBERT FRANCO ALAN FRANKLIN KALENI FRASER DAVID FREEMAN CAMERON FRIEND TONY GALLIVEN
 DAVID GANNON FLOYD GARDINER DOMINIC GARGIULO BRIAN GARGIULO COLIN GASS TYSON GEORGE ROGER GEORGIEFF WARRICK GIBSON KAIDAN GIBSON IVAN GILBERT
 BRENT GRAHAM TYLER GRAHAM MURRAY GREEN DANUTA GROBELSKI ADAM GROVE DEAN HAMILL NEEL HARAKH SIMON HARDIE GRANT HARFORD ERROL HATTERSLEY
 MICHAEL HAWKINS ALEXANDER HENDRY PETER HENDRY TONY HENEY MARIA HENRY CHRIS HIBBERT IAIN HIGGINS TOM HILLARY TRUCE-ANNE HILLARY NEIL HINTON
 ALEXANDER HIRSLER GRAEME HIRST MARK HOBBS LOPETI HOEFT STEVEN HOLDER ROB HOLLIER ZORYNE HOMANN GEORGE HOMIK CLARKE HORNER LAURIE HOSKING
 KATE HOSSEN MATTHEW HOUSE MARTIC HRABANOV CRISTIAN HRABANOV CAROL HU BENJAMIN HUME WAYNE HUME HENRY HUNT ROBERT HUNTER PIO HURINUI
 PETER HURRING FAZAL HUSSAIN KEVIN HUTT WALLY IACOPETTA STEPHEN IACOPINO SAM ILAIU MICHAEL IOPPOLO BRUCE IRVINE JENNY IRWIN LANE IVATTS RUSSELL IVATTS
 JEREMY JAMES BRIAN JARMAN DOMINIC JENKIN MATTHEW JEWELL MAXWELL JOHANSSON ABBY MAREE JONES NORMAN JORDAN MANICKATHAN JOSEPH MANASE KAILEA
 JOHN KALAZICH KALEKI KATOA LOPASITA KATOA RAMINDER KAUR TAMATI KAWHENA EMMA KAY KEVIN KE GAVIN KEIDGE NICK KELLY TINA KENNINGTON JOSH KIESANOWSKI
 JASON KING DODINA KISONA MARTIN KOLATTUKUDY MARCO LANDO PETER LANGE ASHLEY LANGLEY FASI LATU SANDRA LAUMEA LAWRENCE LAVERY NETI LEATIGAGA
 ENI LEAUPEPE HAZEL LEE KENT LEE SAM LEE KIHOUN LEE CHRIS LEONE GAVIN LEVY MICHAEL LIA JIAN LIN DANIEL LITTLE WILLIAM LITTLE DAVID LITTMAN RHYS LIVINGSTON
 PETER LOPES NICHOLAS LULHAM PATRIQUE LUMA JENNIE LUNN DUC MA STUART MACDONALD RYAN MACEK VILI MAKI JIM MALONEY DAYAL MANU SAM MARSON
 ROBERT MARTIN CLARE MARTIN PATRICK MARZANO HAMISH MASON SCOTT MASON TEOKOTAI MATAITI JOHN MATAMUA SUZANNE MATTINGLY TIMOTHY MARWSON
 AARON MAYNE JOHN MCARTHUR MURRAY MCBRIDE MARGARET MCCARRIGAN BRENT MCCLEURE DANE MCCOLLUM YVONNE MCILWAIN LYNN MCKAY ANDREW MCKENZIE
 DEREK MCKINNEL MATTHEW MCRAE VENUS MEHTA GREGORY MEIBUSCH JAMES MEOLA DALE METCALF TEEI POROURA METUATINI MARK MIDDLETON SAM MILANESE
 JAMIE MILL ANNE ROSE MILLER AMASAIYA MOALA RICHARD MOEKE JUAN MOKOMOKO TALALELEI MOLI SHANE MOON DANIEL MOOR RUFINO MORALES TEOMAN MORGIL
 STEVE MORICE JOSEPH MORLING JAMIE MORTON KEVIN MUNROE ALLAN MURRAY VINCE MUSICO FRANK MUSICO CON MYLONOPOULOS RITIKA NAND MAHES NARAN
 VIJAY NARAYAN TUI NAU JOE NAYACAKALOU ERIN NEIBLING DANIEL NEUMANN JEFF NEUMANN EMMA NEWTON JUDITH NEWTON GREG NGAWHIKA MANDY NIGRO JASON NOBLE
 PETER NORTHERN THOMAS O'CONNELL WAYNE O'HALLORAN GRAEME OLDHAM BRENDAN O'NEILL SEAN O'NEILL MAU HELOTU ONO TONY ORD NICHOLAS O'SULLIVAN
 ROGER O'SULLIVAN RICHARD OTT TUPOU OTUTAHA IOSEFO PAKOME SENITU PAKOME SUNIL PATEL CHRIS PEREZ JASON PETERS DARRYL PETERSON MARIA POBLETE
 ROCHELLE POGSON ANNEMARIE POKANAU JOSHUA POLON SAPANI POMARE TIM POORTER ADELLE PORTER SKYE POWELL-JONES JERRY PRENDERGAST NAOMI PRESCOTT
 DUNCAN PRYOR DAN PU GREIG PULLAR MARK PULLEY SHANE QUINN LUKE RADAN KAREN RADWAY DAVID REESE JADE REEVES JANICE REID SHARON REID BRETT REID
 DANIEL REID ROBERT REIGER HOWARD REILLY MARGARET RELIA GREG RICH WENDY RICHARDS SHANE RICKIT JONNIE RIDDELL CATHY RIDDEN GEORGE RIMBAS JASON ROBERTS
 LANCE ROBERTSON BEN ROSS LISA ROWLAY FRANK RUGGIERO JAMIE RUSS MILI SARAVU BRENDAN SCHEIWE TONY SCHIRRIPIA SHANE SCOTT DIANE SCOTT VAINGA SEFESI
 BRUCE SHEED NEIL SILVERMAN SAM SINGH PRANEEL SINGH ANDREW SINNOTT NATHAN SMART GLENN SMITH MARK SMITH ALUALU SOISOI RICK SOUTH
 DAVID SPEDDING RAYMOND STEELE JARED STEVENS KEVIN STEVENSON TONY STONE SIMONE STRATHAIRN GORDON STUART GRANT STUMBLES GIUSEPPE SURACE
 WAYNE SWIFT JOHN TAENAI SALESI TAHOLO STEWART TAIT PETER TANUTO WARREN TAPP ISI TAPUI ANGELO TARANTO MARIO TARANTO TONY TARANTO SATEKI TAUFU
 JOHN TAVITE CAMERON TAYLOR JEREMY TERRIS JIM THOMOLARIS WARREN THOMPSON GLEN THOMPSON SHAUN THREADWELL PETE TIPPETT ROMERO TOAIOLO
 ALF TOAIOLO BERNARD TOAIOLO MATA TONGIA BRUCE TOOHILL CYRIL TORRANCE TIM TOUHUNI POUKEI TOUHUNI KEVIN TRACEY VAN HOA TRAN
 DOUG TRASK SANDY TRASK TOM TREACY JOE TRIMBOLI JERMAINE TUHI KAT TUILAEPVA VAE TUILAEPVA VASASOU TUILAEPVA JENNIFER TUNG
 TAU TUPOU ANTHONY TURNER TAMANGO UARUTA TEVITA UEPI FANO VAEGA JOSEPH VAN DER LOO
 JAMES VAN ELSWYK KOBUS VAN VUUREN IRINA VASSILIEVA SHANE WADSWORTH MICHAEL WAGNER
 ALAN WAKE TONY WALSH XIAN WANG RAYMOND WARNER WAYNE WATKINS
 ROSS WATSON WAYNE WEBLEY KERRY WELLS ROBYN WHITE
 CLINTON WHITIKIA-NGATUERE CARLEAH WICKLIFFE-BROWN
 HESHAN WICKRAMANYAKE ROHAN WHYTE ADAM WILLISON
 TONY WILLSDON WHITNEY WILSON ALBERT WOLFGRAMM
 KEN WONG KELVIN WOODMASS IVANNA WOOLLAMS
 DANNY YOUNG TONY ZANNINO ANDRE ZITTERSTEIJN
 JOSEPH ZOFREA PAUL ZOFREA



**MARKET GARDENERS LIMITED
 ANNUAL REVIEW 2013**



MG's New Support Office opened in March 2013

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FINANCIAL HIGHLIGHTS

Group gross sales under management

\$563.759 million

Group profit before income tax

\$7.549 million

Group profit for the year (after income tax)

\$4.023 million

Group total equity

\$83.081 million

Group total assets

\$184.424 million

Shareholder distributions

	2013	2012
	\$'000	\$'000
• Supplier shareholder rebate	250	250
• Bonus issue on supplier shareholder rebate of 2 for 1 (2012 : 1 for 1)	500	250
• Final gross dividend on "A" shares : 6 cents per share (2012 : 4 cents per share)	778	502
• 30 June 2013 - final gross dividend on "D" shares : 4.667 cents per share (June 2012 : nil cents per share)	129	-
• November 2013 - final gross dividend on "D" shares : 3.333 cents per share (November 2012 : 8 cents per share)	85	209
Total shareholder distributions in relation to the year ended 30 June	<u>1,742</u>	<u>1,211</u>

CHAIRMAN & CEO'S REVIEW

In this, the 90th year of operations for Market Gardeners Limited, trading as MG Marketing (MG), we have departed from traditional practice to present a composite review by the Chairman, on behalf of the Board of Directors, and the Chief Executive Officer, of the Company's annual results and operations. This combined statement for the year to 30 June 2013, enables the presentation of a single yet comprehensive report covering MG's national and international business activities.

For the period in review, MG achieved a strong year of trading across all fronts to deliver a 5.47% improvement in Group sales under management over the previous year. This and related results are shown in the Financial Highlights on the preceding page. The Group's profit before tax decreased slightly from last year, with a higher tax expense producing an overall lower net profit after tax. Despite this drop in after tax profit, it is pleasing to report your Co-operative has performed very creditably in the face of a number of ongoing challenges at both domestic and international levels.

Our domestic supply and sales business produced a strong result, thanks to a combination of favourable growing conditions, steady buyer demand and improved returns. In contrast to previous years, the period under review, despite the droughts in summer, was largely free of any significant climatic disruptions to growing and harvesting operations. Likewise there were no unplanned interruptions to our distribution networks. In particular, some of the best results achieved on produce volumes and sales were for summer fruit categories, as well as for a selected range of seasonal vegetable lines.

Around the country overall production levels, volumes to market and sales lifted appreciably over previous years. Our branches in Auckland, Hamilton, Palmerston North, Wellington, Nelson, Christchurch, Dunedin and Invercargill all contributed well to the overall result. This result speaks volumes for the strength of our operating network at local levels within the framework of a New Zealand-wide Co-operative of growers and suppliers.



Brian Gargiulo MBE
Chairman

Peter Hendry
Chief Executive Officer

It is also noteworthy that recent partnerships initiated with retail groups, such as the 'MG Direct' sales channel in the South Island, have contributed to the year's success. These arrangements provided, and continue to provide, many of our growers and suppliers with added options for going to market. We intend to pursue further retail trading relationships by fully utilising our procurement and key account teams across more produce sectors, especially where potential exists for sales growth. In the very competitive and frequently marginalised fresh produce business, this ability to work closely with our customers and to plan and manage regular supply arrangements is proving beneficial to all the parties involved.

In Australia, our LaManna Group operations enjoyed a greatly improved year in the absence of any significant damaging weather events, as had occurred in the previous two years. This stability has enabled LaManna to consolidate its investment programme of farm development, product diversification and distribution networks. At the same time it capitalised on improved sales returns, particularly for mainstream banana sales, but also for rising volumes of other produce lines such as citrus, grapes and avocados. After a turbulent period of weather disruptions, MG's investment in LaManna is once again showing improved returns and we are confident further progress will be made in this strategically important market.

On the wider international front MG performed satisfactorily during the year, despite trade being constrained by import restrictions affecting a number of traditional lines of seasonal produce. Ongoing bio-security issues between New Zealand and countries such as Australia and North America limited our ability to expand and diversify our business with offshore suppliers. Against this, it is pleasing to report sales of Dole-branded bananas and pineapples continued to increase and retain their leading market positions. Our export activities also gained traction during the year following MG's 2012 investment in Te Mata Exports 2012 Limited (Te Mata Exports), with a number of new product lines being added to the core apple product line.

Across all MG's trading activities, your Board of Directors and executive management team have continued to focus on the core objectives of improving operating efficiency at every level, whilst at the same time lifting earnings productivity on behalf of growers/

suppliers. The year in review has seen tangible progress made on both these fronts. Your Company has kept the costs of doing business under firm control. Importantly, it has succeeded in creating additional channels to market, as well as introducing new produce varieties capable of adding value on the sales achieved. The Group's results for the latest period strongly indicate MG is heading on the right track and we look forward to maintaining this momentum.

FINANCIAL PERFORMANCE

This year's trading is highlighted on page one of this review. Once again MG has maintained strong gross sales under management which exceeded \$563 million (up from 2012's \$534 million), Group profit before income tax exceeded \$7.5 million (compared to the prior year's result of \$7.6 million) which reflects the improved market conditions experienced in Australia on the LaManna Group result and continued sound results coming from the New Zealand operations. Group Profit after tax amounted to \$4.0 million which is down on last year's \$6.4 million as a result of the increased tax expense this year.

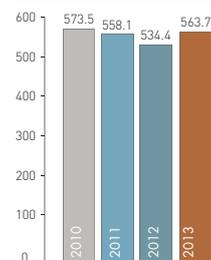
Total assets are now over \$184 million, a net increase over 2012's \$182 million and reflects the Group's continued reinvestment in the infrastructure required in NZ and Australia.

Group equity has continued to grow and now exceeds \$83 million, an increase of almost \$4 million from 2012. This increase reflects the net effect of, amongst other things, the dividends and share surrenders, the Group net profit after tax of \$4.0 million and the impact of movements in the reserves – namely the asset revaluation, foreign currency and hedging reserves.

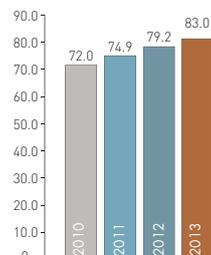
Group cash flows from operations have continued to be strong and well managed with over \$11 million coming in from operating activities. These inflows have, amongst other things, resulted in debt repayments by the Group of over \$4.5 million and the investment in property, plant and equipment of over \$5.5 million.

As in recent prior years MG presents, in addition to this Annual Review, a full Annual Report and financial statements. If you would like a copy of the Annual Report it can be found on the MG website (www.mgmarketing.co.nz), or by requesting a copy from the Company Secretary (email: dprior@mgmarketing.co.nz or phone: (03) 343 1794).

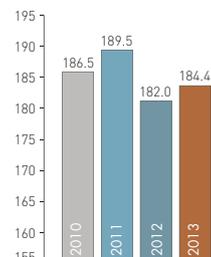
Group gross sales under management (\$M)



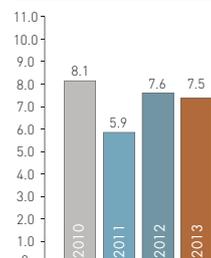
Group total equity (\$M)



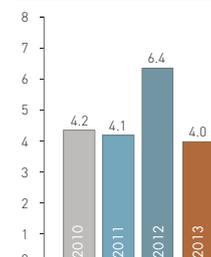
Group total assets (\$M)



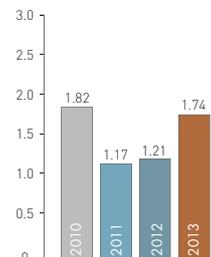
Group profit before income tax (\$M)



Group profit after tax for the year (\$M)



Group distributions (\$M)





DISTRIBUTIONS

Based on the financial performance to 30 June 2013, the MG Board of Directors has resolved to return to its shareholders significant distributions totalling \$1.742 million. On 2 August 2013 the Board declared the following distributions in relation to the year ended 30 June 2013:

- Supplier shareholder rebate – a taxable rebate of \$250,000 to be applied by the Company in paying up in full “C” shares of the Company to be issued at \$1.00 each and made in such manner as the Directors determine to those Current Producers that have supplied on a consignment basis during the financial year ended 30 June 2013;
- Bonus issue – a two for one fully imputed taxable bonus issue on the “C” shares issued out of the above rebate. This amounts to \$500,000 worth of “C” shares being issued (you receive two further “C” shares for every one “C” share you receive from the above rebate). As imputation credits have been attached to the bonus issue shares they are mostly tax paid in the hands of the shareholder;
- Final dividend – a fully imputed taxable gross dividend of 6 cents on every “A” share and a further 3.333 cents on every “D” share on issue (“D” shares received 4.667 cents on 30 June 2013 and this dividend makes up the balance of the 8 cents minimum annual dividend on “D” shares). Once again imputation credits are attached.

MG BOARD OF DIRECTORS



JOHN R CLARKE
Director, Levin



LYNN T CROZIER
Director, Rolleston



FRANCIE P DI LEVA
Deputy Chairman, Nelson



ANDREW G FENTON
Director, Te Puke



ALAN G FRANKLIN
Director, Auckland



BRIAN D GARGIULO MBE
Chairman, Christchurch



BRUCE R IRVINE B.COM, LL.B, CA
Director, Christchurch



TOM M TREACY
Director, Christchurch

EXECUTIVE MANAGEMENT ATTENDEES



PETER HENDRY
Chief Executive
Officer



DUNCAN PRYOR B.Com, CA
Company Secretary and Chief
Financial Officer



KERRY WELLS B.Ag. Com
International Business
Manager

The above distributions will be made only to those shareholders entered on the share register with effect from 30 June 2013 and continuing to hold, at the date of the 2013 Annual Meeting, the shares held at 30 June 2013. The above rebate, bonus issue and dividends represent \$1.742 million being distributed back to MG's loyal and supportive shareholders.

As has occurred for many years now we are pleased to note the support of the shareholders through their high level of reinvestment of their dividends back into more MG shares (“A” and “D” shares). If you would like to participate in the dividend reinvestment plan please contact our Company Secretary, Mr. Duncan Pryor, at Support Office for further information.

NEW ZEALAND MARKET

The domestic market for fresh fruit and vegetables has been the fundamental basis for MG's commercial activities and our performance for the year in review strongly reinforced this position. Sales volumes and earnings from what was generally good growing conditions lifted considerably compared to recent years across most produce lines. This outcome was attributable to improvements your Co-operative has made, and continues to make, in two critically important respects. These are co-ordinating production and supplies at the grower level, coupled with the development of closer working relationships with our key retail buyers.

At the producer level, we have made good progress with many growers on a new category programme designed to add value to traditional fruit and vegetable lines. Success on this front was achieved by introducing new varieties in our range of summer seasonal products, including summer-fruit and melons. Similarly, positive results were gained for seasonal vegetable lines. Notably, our new pumpkin, Butterkin™, has created its own productive niche in the market. For these and other category initiatives, anticipated returns on sales were met, or frequently exceeded, as buyer demand lifted to keep pace with volumes released.

Expanding the range of categories grown also had the effect of extending the growing season, which in turn helped maintain or lift values and sales volumes. The ability to bring new varieties to market and differentiate the produce offered for sale has proven to be a valuable strength for MG. At both strategic planning and practical business levels it enables your Company to work more effectively alongside all parties in the supply chain and especially with our major retail customers.

From an industry-wide perspective it is gratifying to see positive results from our continued efforts at diversifying

into new and speciality categories. Whilst it seems obvious, there is in fact a great deal of careful planning and execution required to deliver long-term outcomes in this area. Our goal remains to continue investing in people, new products, systems and equipment that will enable MG to maintain the progress achieved to date and further secure the business prospects for all our participating growers/suppliers.

Growers participating in new category schemes have already experienced the results of the programme's successful expansion. This is particularly the case for IP products developed by MG, as they are owned by your Co-operative and hold exclusive marketing rights with potential for premium prices. Through MG's procurement and sales teams, the Company is keen to discuss opportunities to further develop this programme in specific directions. Our role is to be available to assist with any aspect of Members' business operations, whether directly or indirectly, with a view to maximising returns. This, of course, is exactly what the Co-operative principle stands for in pursuit of shared effort and mutual rewards.

The strong trading performance achieved in the New Zealand market was to no small degree the result of MG's continued investments in improving facilities for handling, storing and distributing ever-increasing produce volumes. At the Penrose branch in Auckland our plans to expand warehousing and storage space are well underway, with the site already excavated for over 400 sq/m of new premises. This extra capacity will assist the Company to cope with anticipated business growth from around the greater Auckland area. Similarly at the Sockburn branch in Christchurch, major building projects are underway or were completed during the year. In March 2013 MG's new Support Office was opened and has proved a practical and worthwhile asset for the Company and its management and administrative teams.



David DeLorenzo (on right) from Dole International Holdings officially opens MG's new Support Office



MG Shareholders, suppliers, customers and staff celebrate the opening



In the domestic flower market, United Flower Growers Ltd (UFG) - MG's joint venture with United Flower Auctions Ltd (UFA) - has had a satisfactory year with improved sales and has made significant changes to its business. In the later part of the year UFG implemented a new strategic plan which had been the culmination of two years in the planning. Central to these changes has been the increased support and volume from UFA growers / shareholders coming to UFG. To support this plan, UFG has invested in improved auction floor facilities and systems in the major Auckland branch in order cope with this enhanced volume. These services and systems will be expanded to other locations throughout the year ahead. As these are completed, they will enhance the speed and efficiency of sales transactions for customers nationwide and we are confident of further growth in flower sales in the immediate future.





LAMANNA BOARD OF DIRECTORS



BRIAN D GARGIULO MBE
Chairman, Christchurch



PHILIP C L HOLBERTON
Director, Melbourne
LaManna Independent Director



ANDREW G FENTON
Director, Te Puke



BRUCE R IRVINE B COM, LLB, CA
Director, Christchurch



TOM M TREACY
Director, Christchurch

AUSTRALIAN MARKET (LAMANNA GROUP)

After two years of industry-wide volatility caused by destructive cyclones and floods, the year in review provided a welcome return to relative normality for LaManna Group and its associated companies in Australia. It enabled LaManna to consolidate its diversification and expansion programme for locally grown and imported produce and to deliver strong earnings growth across all market sectors.

The return to profitability in the year was a very encouraging result and a pointer to further success. Despite this, there are still improvements to be made as the LaManna Group continues to fine-tune its produce supply and distribution operations.

Significant gains were achieved during the year on banana sale returns, aided by a lift in average returns, the first for a decade. Non-banana sale returns also improved with sizeable increases achieved for avocados, citrus and mangoes. Whilst bananas comprised some 65% of LaManna's business, the sales mix is improving as investments in other fruit and vegetable lines are taking effect. One fast-growing category is watermelons, which have the potential to substantially boost earnings in the short term.

Fully recovered from the effects of Cyclone Yasi, the Group's Australian Banana Company Pty Ltd's operations increased grower numbers and shed volumes of product packed. The business has the potential to pack up to 1.5 million cartons per year and further lift earning potential. The Group

produced a healthy increase overall on imported produce and continues to grow in this area.

LaManna's presence in the Brisbane, Sydney, Melbourne, Adelaide and Perth wholesale markets continued to grow, with returns from all centres lifting over the previous period. The Adelaide and Perth operations performed particularly well, increasing their sales and returns by appreciable margins and providing solid ground for further expansion in the next one to two years.

As both major retail chains implement direct supply strategies with grower groups across all major product categories, the need to restructure supply lines and invest in new produce sources and facilities to better service

EXECUTIVE MANAGEMENT ATTENDEES

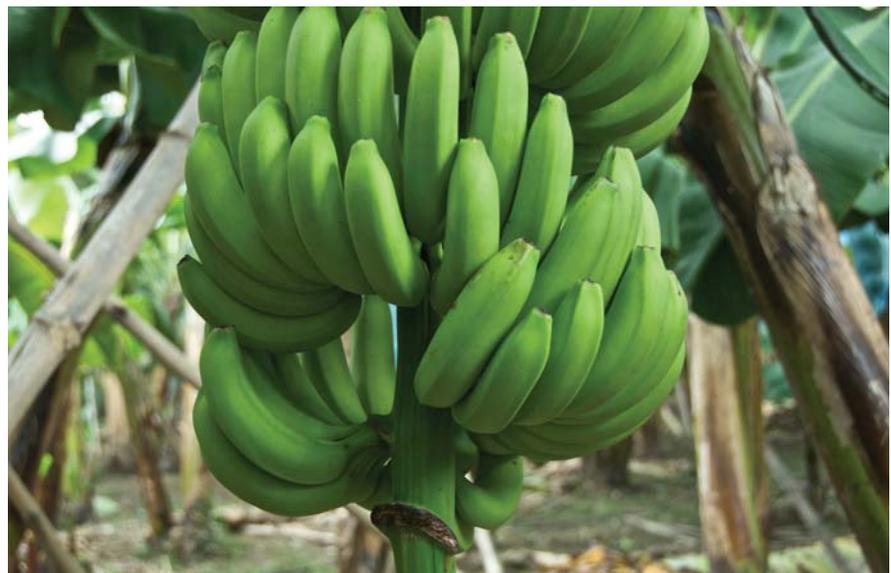


GLEN THOMPSON
Chief Executive Officer



SIMON HARDIE
Chief Financial Officer

customers is necessarily an ongoing one. It is encouraging that under the LaManna Group management team led by the Chief Executive Officer, Glen Thompson, steps taken to date have produced positive financial results, which are set to continue as LaManna grows its business.





INTERNATIONAL TRADING

MG's export produce activities were substantially broadened during the year through our joint venture with Te Mata Exports. As a successful exporter of apples at its start-up, this partnership has developed to include additional lines of fruit for sale into offshore markets. This will provide MG's growers and suppliers with new opportunities for lines such as avocados, citrus and summer fruit. The export operation will continue to look at new product opportunities which meet the needs of our expanding international customer base and where value can be added.

Under this process MG's international team is working closely with LaManna Group representatives in Australia, as well as with MG's North American office in California. Trading links between these Pacific Rim markets offer the prospect of a co-ordinated network providing export and import services for buyers and sellers on an increasingly economic scale. By representing growers in any of these countries, MG is able to work more cost-effectively with international customers and meet their seasonal demands from a wider range of reliable sources.

A major impediment to the expansion of trade during the year was the imposition of border controls and banning the importation / exporting of specific fresh products between countries. As a consequence of these bio-security issues, MG's revenue from a number of imported fruit and vegetable lines suffered during the year.

As these international trading relationships develop, MG, its joint venture partner and subsidiary operations are progressively widening procurement sources and client bases, not only in New Zealand but also in Australia and the USA. This expansion programme is being undertaken with the utmost commercial caution, given the volatility of cross-border trading in fresh produce. Further initiatives will be



Murray Tai (Managing Director of Te Mata Exports, pictured in white shirt), at the 2013 Asia Fruit Logistica

commensurate with well-performing trade links and proven earnings records that augment income from our domestic operations.

For tropical and sub-tropical fruit imports, MG continued its leadership standing in the local marketplace, despite a disastrous December 2012 typhoon in the Philippines causing major supply disruptions. With our international business partner Dole Asia, now owned by Itochu Corporation, we again held the number one position for bananas and pineapples. Good results were also achieved for other out-of-season lines such as grapes and citrus products. Competition in this import sector is extremely vigorous and MG has devoted considerable attention in the domestic market to profiling the quality, value and reliability of its globally accepted brands.

MG and Dole's joint venture ripening partnership is committed to the banana market it has helped to establish in New Zealand and this can be seen in the construction of a large new storage and ripening facility in Christchurch, adjacent to the existing branch. Plans to develop this state-of-the-art facility as the central distribution point for South Island banana supplies were signed off during the year, and the standalone complex is scheduled to be opened later in the 2013 calendar year.



ANNUAL MEETING OF SHAREHOLDERS

All shareholders are warmly invited to attend the Annual Meeting of the Company, to be held at The Cellar Door, 143 Centennial Avenue, Alexandra on Wednesday 27 November 2013, commencing at 5.30 pm.

Following the meeting, the Directors, Management and staff of MG would be pleased to meet with attendees to discuss any topics of mutual business interest. All attendees are welcome to attend the formal and informal sessions, which includes a dinner to be held the same evening.



MG EXECUTIVE MANAGEMENT TEAM



BRIAN BUCHANAN
Internal Audit



ROGER GEORGIEFF
Marketing Manager
Domestic



GRANT HARFORD BMS
National Operations Manager



PETER HENDRY
Chief Executive
Officer



CHRIS HIBBERT
Information Systems
Manager



PETER LANGE B.A.
Imports Manager



JERRY PRENDERGAST
Brand Development &
National Key Account Manager



DUNCAN PRYOR, B.Com, CA
Company Secretary and Chief
Financial Officer



GREIG PULLAR B.COM
Employee Relations
Manager



KERRY WELLS B.Ag. Com
International Business
Manager

DIRECTORATE AND MANAGEMENT

It is appropriate to express a vote of recognition to MG's highly committed and industrious Board of Directors. Their contribution to the year's financial performance has been outstanding and their stewardship exemplary. The stability of tenure as directors and the collective expertise they bring to the Company as a commercial entity are significant drivers behind the effectiveness and success of our operations, both domestically and abroad.

In accordance with the Company's constitution, Messrs Francie Di Leva and John Clarke retire by rotation and being eligible, offer themselves for re-election. One nomination has been validly received for a position as Director, being that of Mr. Mark O'Connor. A postal election will take place prior to the Annual Meeting and full details will be contained in the postal ballot papers to be circulated to Members.

Our MG executive managers comprising Peter Hendry as Chief Executive, Duncan Pryor as Company Secretary and Chief Financial Officer, and Kerry Wells as International Business Manager, and the LaManna executive managers comprising Glen Thompson as Chief Executive and Simon Hardie as Chief Financial Officer, have carried out their responsibilities during the

year with considerable success. We are fortunate to have their expert services and to benefit from the individual and collective experience they have gained over many years in the industry. It is also fitting given the importance of staff throughout the organisation that Greig Pullar, the Employee Relations Manager, joined the Company's executive management team during the year.

MG STAFF

This review of the year would not be complete without special reference to MG's loyal and dedicated staff members based in New Zealand, Australia and the United States. As the Company has actively sought to diversify and expand, the importance of the role played by all employees in this transformation cannot be over estimated. Change, however desirable or necessary, is often inconvenient to established practices. To their credit, staff at all levels of our organisation have responded positively to the challenges in the field, at distribution centres and offices, and in the retail chain and independent markets we serve.

Such adjustments throughout MG's workforce are vital to our commercial prospects. We will continue to rely on procurement and sales staff to work alongside growers and suppliers,

providing relevant information for making the best production choices and harvesting decisions. Likewise our warehousing and logistical staff are crucially important in the safe storage and handling of produce and its transport to market in the best possible condition. Not least, our account managers and marketing support staff are fundamental to the success of creating and maintaining relationships with retail customers at local and overseas levels, whether they are large conglomerates or independent buyers.

In short, our network of staff provides the essential interface between MG's grower-suppliers and many hundreds of customers representing consumers at large. To achieve this they must be highly skilled and have daily access to excellent facilities, modern equipment and continuous support services. Your Company is very mindful of these requirements, in the full knowledge that success is driven not by circumstance, but by design. In acknowledgement of our team of employees and as an expression of thanks for their commitment to the business, all staff members' names are again printed on the cover of the Annual Review.



OUTLOOK

MG is well positioned to consolidate and improve its role as a leading supplier and distributor of fresh fruit and vegetables to consumers in New Zealand and overseas. Our results for the year under review have demonstrated your Company's ability to respond to shifting market conditions by diversifying and expanding its produce lines into new and improved categories. Undoubtedly this is the way of the future and we need to continually adapt to meet the changing expectations of our retail buyers and their customers.

In what is a constantly fluctuating trading environment, there are many difficult challenges to be overcome. Rationalisation across the retail sector, competition from direct supply channels, category over-production and bio-security border issues are just some of the obstacles that must be confronted and, wherever possible, resolved. Such tasks can appear daunting at times, but MG has worked diligently over the years to adopt new business strategies and tactics designed to anticipate and meet changing market trends, and not to ignore or resist what is happening domestically and off shore. These decisions are part of an ongoing programme that is starting to pay dividends, notably in areas of managing procurement and supply, and improving returns on produce sold. It is well worth elaborating on this vital process with a view to your Co-operative's business prospects for the next year and beyond.

On the domestic scene, MG's focus on category expansion and specialisation has gained good traction, although there is still much to be done. Increasing numbers of our growers and suppliers have profited from successful trials introducing new varieties of vegetable and fruit lines. Whilst traditional crops remain a core part of our business, the ability to differentiate our produce and command a price premium is a

vital factor in lifting market share and earnings. Valuable niche markets have been created in this process, along with extended seasons and greater choice for today's more sophisticated consumers.

Most importantly, MG works closely with both ends of the supply chain to facilitate outcomes under this programme. Buy-in from our retail customers must necessarily be mirrored by our grower-suppliers. As with all produce supplied, continuity, quality and economy are the key drivers. Our procurement, sales and account managers are pivotal in assisting to accomplish these requirements. The same high level of co-ordination applies to direct sales with retail customers. Your Company is acutely aware of the importance of such programmes for the collective security of MG as a Co-operative entity moving forward.

Offshore markets, including our investment in LaManna Group in Australia, are likewise undergoing rapid and frequently unplanned change. After two years of serious trading interruption caused by tropical storms, LaManna is showing steady improvement in sales volumes and returns on an expanding product range. The Australian market, coupled with our wider export and import interests, gives MG a strongly diversified base to support New Zealand operations. Supply and sales synergies within and between our multiple overseas markets will assist your Company to spread its risk and capitalise on foreign exchange earnings.

Across all its trading fronts domestically and abroad, MG has shown conclusively it has the business expertise to thrive as a productive and efficient force in the fresh produce industry. Grower and supplier members within our Co-operative trading structure are, of course, at the heart of this commercial enterprise. Through the very process of co-operation in pursuit of success, the

Company has changed enormously in its 90 years of existence. There can be no doubt MG will keep changing in order to achieve further success in the years ahead.

On behalf of your Board of Directors and executive management team, it is appropriate to express a hearty "Thank You" to our many customers in the retail sector who have supported our business at many different levels. Tribute must also be made to our valued trading partners in both domestic and import/export markets, whose contribution to our results are extremely important. To our many growers and suppliers who have actively supported MG's supply and distribution networks, we certainly appreciate your endorsement of our business direction and we encourage interest from all Members within our Co-operative. We look forward to progressing our mutual business interests on a continuing and profitable basis.

Finally, MG wishes all its staff, management, suppliers and customers the very best for a most productive and personally fulfilling year.

Brian Gargiulo, MBE
Chairman
19 September 2013

Peter Hendry,
Chief Executive Officer
19 September 2013

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Group	
	2013	2012
	\$'000	\$'000
Revenue – sale of goods	300,306	266,789
Cost of sales	253,247	227,249
Gross profit	47,059	39,540
Other operating income	1,839	6,424
Administrative expenses	7,782	9,428
Other expenses	31,239	28,973
Results from operating activities	9,877	7,563
Finance income	339	467
Finance expense	3,470	3,916
Net finance costs	3,131	3,449
Profit before equity earnings and income tax	6,746	4,114
Share of profit of equity accounted investees	803	3,519
Profit before income tax	7,549	7,633
Income tax expense	3,526	1,186
Profit for the year	4,023	6,447

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

Net cash from operating activities	11,265	5,851
Net cash (used in)/from investing activities	(5,556)	6,635
Net cash (used in) financing activities	(3,663)	(10,605)
Net increase in cash and cash equivalents	2,046	1,881
Cash and cash equivalents at 1 July	6,670	4,753
Effect of exchange rate fluctuations on cash held	261	36
Cash and cash equivalents at 30 June	8,977	6,670

This annual review is a summary of the full annual report and financial statements. Copies of the full documents can be found on the MG website (www.mgmarketing.co.nz).

BALANCE SHEET

AS AT 30 JUNE 2013

	Group	
	2013	2012
	\$'000	\$'000
EQUITY		
Share capital	16,267	16,042
Reserves	25,583	24,938
Retained earnings	39,703	36,779
Total equity attributable to equity holders of the Parent Company	81,553	77,759
Non-controlling interest	1,528	1,468
Total equity	83,081	79,227
NON-CURRENT ASSETS		
Property, plant and equipment	80,107	76,504
Intangible assets	32,783	35,562
Investments in equity accounted investees	8,463	9,398
Trade and other receivables	10,712	9,371
Deferred tax assets	3,118	4,320
Total non-current assets	135,183	135,155
CURRENT ASSETS		
Inventories	5,520	4,288
Trade and other receivables	33,000	33,922
Cash and cash equivalents	8,977	6,670
Taxation receivable	-	279
Non-current assets held for sale	1,744	1,744
Total current assets	49,241	46,903
Total assets	184,424	182,058
NON-CURRENT LIABILITIES		
Loans and borrowings	33,226	45,445
Trade and other payables	1,349	2,024
Deferred tax liabilities	4,380	3,729
Total non-current liabilities	38,955	51,198
CURRENT LIABILITIES		
Loans and borrowings	14,658	7,075
Trade and other payables	46,891	44,558
Taxation payable	839	-
Total current liabilities	62,388	51,633
Total liabilities	101,343	102,831
NET ASSETS	83,081	79,227

This annual review is a summary of the full annual report and financial statements. Copies of the full documents can be found on the MG website (www.mgmarketing.co.nz).

NEW ZEALAND BRANCH REGISTER, BANK AND ADVISERS

REGISTERED OFFICE, SUPPORT OFFICE, MARKETING & IMPORTS

78 Waterloo Rd, Hornby, Christchurch 8042
P O Box 8581, Christchurch 8440
Phone : 03 343 0430, Fax : 03 343 0929

AUCKLAND

801 Great South Rd, P O Box 12 370
Penrose, Auckland 1642
Phone : 09 270 7110, Fax : 09 270 7111
Manager : Kevin Munroe

NATIONAL BANANA RIPENING

801 Great South Rd, P O Box 12 370
Penrose, Auckland 1642
Phone : 09 270 7110, Fax : 09 270 7111
Manager : Graeme Hirst

HAMILTON

24 Kaimiro Street, P O Box 675
Pukete Industrial Estate, Hamilton 3240
Phone : 07 849 2866, Fax : 07 849 2864
Manager : Brian Dale

PALMERSTON NORTH

1 Mihaere Drive, P O Box 198
Palmerston North 4440
Phone : 06 357 8076, Fax : 06 357 5103
Manager : William Little

WELLINGTON

34 Jamaica Drive, P O Box 51 044,
Grenada North, Wellington 5249
Phone : 04 232 3499, Fax : 04 232 3477
Manager : Kerry Baird

NELSON

30 Pascoe Street, P O Box 170
Nelson 7040
Phone : 03 548 5859, Fax : 03 546 4264
Manager : Jamie Russ

CHRISTCHURCH

68 Waterloo Rd, P O Box 16 404
Christchurch 8441
Phone : 03 349 2070, Fax : 03 349 2069
Manager : Jeff Neumann

DUNEDIN

Cnr Midland & Otaki Streets, P O Box 2056
Dunedin 9044
Phone : 03 455 4004, Fax : 03 455 6656
Manager : Wayne Hume

INVERCARGILL

162 Mersey Street, P O Box 209
Invercargill 9840
Phone : 03 218 2919, Fax : 03 218 2882
Manager : Lynzy Francis

BANKERS

Rabobank New Zealand Branch,
(Primary facilities provider)

Bank of New Zealand, Christchurch,
(Transactional facilities – New Zealand)

SHARE REGISTRAR

Computershare Registry Service Ltd
Private Bag 92119, Auckland

LEGAL ADVISORS

Chapman Tripp, Barristers & Solicitors
Christchurch and Wellington

David Stock, Barrister & Solicitor
Christchurch

AUDITORS – PARENT COMPANY AND GROUP

KPMG, Chartered Accountants
Christchurch

INTERNATIONAL REGISTER

LAMANNA GROUP

LAMANNA BANANAS PTY LTD

AUSTRALIA REGISTERED OFFICE AND IMPORTS

103-107 Hyde Street
Footscray, Vic 3011, Australia
Phone : +613 9687 0044, Fax : +613 9689 5253
Chief Executive: Glen Thompson

AUSTRALIAN BANANA COMPANY PTY LTD

101 - 103 Upper Daradgee Road
Daradgee, QLD 4860, Australia
Phone: +617 4063 1600, Fax : +617 4063 3958
Operations Manager: Derek Pregl
National Farming and Innovations Manager:
Robert Borsato

BRISBANE MARKET

Building C – Brisbane Markets
P O Box 48
Rocklea, QLD 4106, Australia
Phone : +617 3278 2844, Fax : +617 3278 2866
State Manager: Brendan Scheiwe
Commercial Manager: Shane Quinn

LAMANNA EXPORTS

401 Sherwood Road
Rocklea, QLD 4106
Australia
Phone : +617 3278 2832, Fax : +617 3278 2389
Manager : Tony Walsh

MARKET GARDENERS (USA) Inc.

5001 E Commercentre Drive
Bakersfield, California
CA 93309-1687, USA
Phone: +1661 322 4044, Fax : +1661 322 4274
Manager: Doug Trask B.BA

BANKERS

Australia and New Zealand Banking Group Ltd,
Melbourne (Transactional facilities – Australia)

Rabobank Australia Branch
(Primary facilities provider)

MELBOURNE MARKET

Stand 13-21 West End,
542 Footscray Road
West Melbourne Vic 3003, Australia
Phone : +613 9687 0044, Fax : +613 9689 5253
State Manager: Robert Bolge

ADELAIDE

C31 Adelaide Produce Markets, Burma Road
Pooraka, SA 5095, Australia
Phone : +618 8349 5022,
Fax : +618 8349 5789
State Manager: John McArthur

FRESH CHOICE (W.A.) PTY LTD

Market City, 280 Bannister Road
Canning Vale, Perth, WA 6155, Australia
Phone : +618 9455 2355,
Fax : +618 9455 2371
General Manager: Mark Hobbs

SYDNEY MARKET

Stand 1-4 E Shed, Store 135 B Shed
P O Box 323, Sydney Markets, NSW 2129, Australia
Phone: +612 9648 1267, Fax : +612 9648 0577
State Manager: Nick Drazic

LEGAL ADVISERS

Arnold Bloch Leibler, Melbourne

AUDITORS – LAMANNA BANANAS PTY LTD

Pitcher Partners, Chartered Accountants
Melbourne

