



Market Gardeners Limited
Annual Review 2019

® Together.
Stronger.



MG's core purpose is to grow the overall wealth and profitability of the Co-operative, its shareholders and growers, through relevant initiatives while maintaining co-operative principles.

®Together. Stronger.

RESILIENCE

Show true leadership to grow the business and overcome challenges by making decisions that protect the future of our grower Co-operative and make sure the benefits are enjoyed by generations to come.

CO-OPERATIVE BEHAVIOUR

Work hard together to make sure the benefits of our Co-operative model drive growth, value, trust and a willingness to work closely alongside each other.

VALUE

Keep reviewing the benefits our grower shareholders receive while finding new and relevant ways to add value.

GROWTH

Diversify and expand produce lines locally as well as make our Co-operative attractive to off-shore markets so we can grow our export activity.

PARTNERSHIP

Expand the level of communication to keep our grower shareholders up-to-date and support a positive delivery of our shared vision, direction and values.

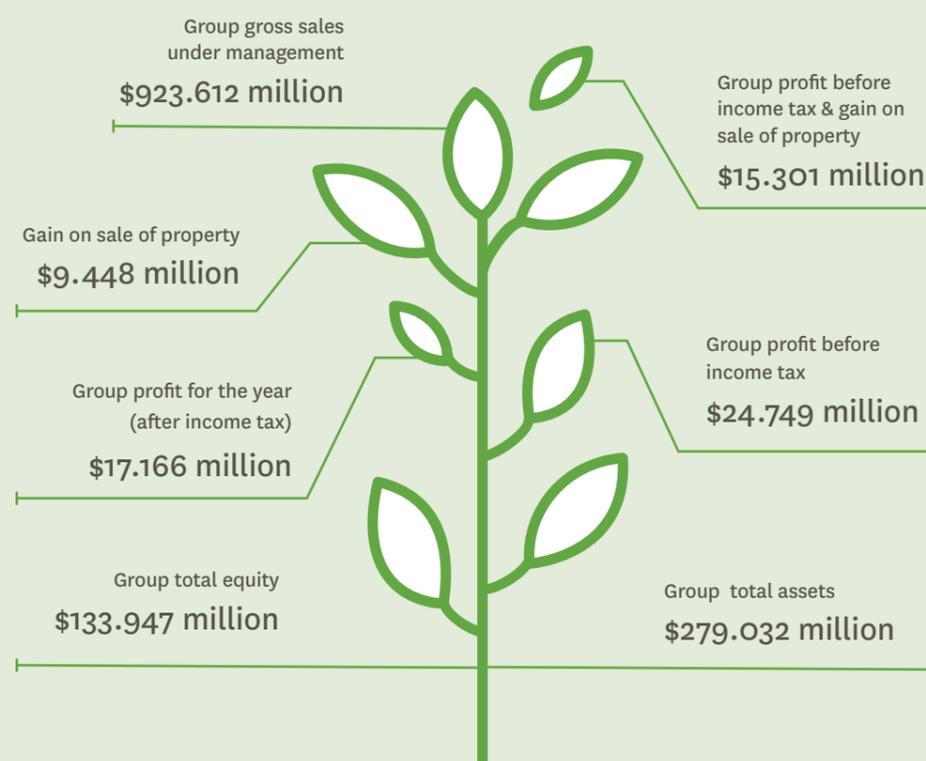
CAPABILITY

Continue to have the best people, doing the right job, with the right tools to support the wide range of needs of our grower network.

CONTENTS

| | |
|----------------------------------|----|
| Financial Highlights | 03 |
| Chairman's & CEO's Review | 04 |
| Income & Cash Flow Statements | 34 |
| Balance Sheet | 35 |
| Branch Register, Bank & Advisors | 37 |

Financial Highlights



Shareholder distributions

| | 2019 \$'000 | 2018 \$'000 |
|--|----------------|----------------|
| - Special Bonus Issue (November 2019) | | |
| • 1 for 30 on "A" shares (2018: 1 for 20) | 772 | 976 |
| • 2 for 5 on "B" shares (2018: 1 for 5) | 3,308 | 1,666 |
| • 2 for 5 on "C" shares (2018: 1 for 2) | 399 | 442 |
| • "D" shares - nil (2018: 1 for 20) | - | 155 |
| - Supplier shareholder rebate (issued as 2019 "C" shares) (2018: issued as 2018 "C" shares) | 250 | 250 |
| - Bonus issue on supplier shareholder rebate of 5 for 1 (2018: 3 for 1) | 1,250 | 750 |
| - Final gross dividend on "A" share: 6 cents per share (2018: 6 cents per share) | 1,436 | 1,171 |
| - "D" shares - March 2019 - final gross dividend: 2 cents per "D" share (2018: 6 cents per "D" share) | 66 | 186 |
| - Imputation credits attaching to the above distributions | 2,228 | 1,552 |
| Total shareholder distributions in relation to the year ended 30 June | 9,709 | 7,148 |



Chairman's & CEO's Review

On behalf of the Board and Management we are pleased to report a year of record performance for the Market Gardeners Group. Market Gardeners Limited, trading as MG Marketing (MG), has recorded a consolidated Group net profit before tax of \$24.7 million.

The 2019 results are notable for a record trading result from the New Zealand operations, a significant improvement in the LaManna Premier Group (LPG) Australian operations to post a modest profit, a solid performance from associates and a substantial gain on the sale of a Sydney based property.

Based on this result the Board has once again declared a substantial special bonus issue, which together with normal distributions, amounts to \$9.7 million – this is detailed more fully on page 11. As a Co-operative, we continue to generate consistently strong growth in revenue and profitability – Together. Stronger. ®

Increased market share and mostly good values across a broad range of products, together with tight fiscal management, have contributed to our excellent New Zealand result. However, values did decline across many product lines in the last quarter of the financial year due to increased volumes. That said, MG's greatest strengths lie with its active grower-shareholders and the value of their support, further complemented by our diverse customer base and ability to market New Zealand-grown product – both of which have been critical in successfully managing these additional volumes. Our import programmes have also supported the business well, an important component of a full service

to our customers, ensuring that we can supply a range of product which would otherwise be unavailable to consumers – we are a leading importer in this sector.

We are particularly pleased to see improvements for LPG, which is reported on more fully on pages 21 and 22. Like the New Zealand marketplace Australia continued to suffer from depressed product prices. However, this has been mitigated somewhat through operational improvements in both warehousing and farms, on-going refinement of customer support and channels to market, cost management and other business improvement strategies.

We look across the trading performances of many of our Australasian competitors over the last year in review and see similar commentary on the challenges we are all facing. It is somewhat gratifying to see that your Co-operative's performance compares favourably to many companies.

Strategically, we continue with our focus on the five key pillars - securing supply, the capability of our people, communication, business growth and improved systems and technology.

Like any business of our kind, we face a number of challenges including rising costs, scarcity of labour, compliance, freight, packaging and land use. Amongst the obstacles, we also grapple with water and environmental issues, softening consumer demand and falling product values. For horticulture itself, the unpredictability of disruptions from climate and other factors are becoming the norm. These industry challenges demonstrate, once again, the benefits of working co-operatively to satisfy our discerning customers and consumers.

The Co-operative will continue to invest in the development of intellectual property and exclusive licencing agreements on selected product categories that provide a genuine point of difference for consumers and growers. We will continue to strategically review and invest in growing operations, joint ventures and partnerships and provide grower financial assistance where this strengthens the Co-operative and is in line with our Co-operative principles. We will also continue to forge new supply channels for loyal MG growers. Investment in strategic product categories often requires significant capital investment - and our primary focus remains to increase the overall wealth of the Co-operative and its shareholders.

We remain committed to helping our growers respond to the industry challenges through our people capabilities by assisting with production planning, procurement, selling and marketing initiatives, logistics and operational efficiencies.

Our people are vital to creating a competitive advantage for our grower suppliers, customer relationships and for our Co-operative. We are fortunate to have a long-serving, diverse and highly experienced team, and we continue to work on attracting more of the right people into our business and developing their capabilities. Cultural fit is all important. It is essential that our staff are philosophically aligned with the grower, understand and deliver on customer expectations, and have the skills to create game-changing innovation. As part of our continued focus on the 'Our People' strategy, we are pleased to have further evolved the already successful MG Graduate Programme and Sales Academy.

With this cultural fit comes the need for active and clear communication with all our stakeholders and we trust that you are seeing an improvement in this area through a number of channels. This extends to communication on relevant business matters including the performance, strategy and direction of the business, global trends and key activities within the Co-operative. MG's team is well informed on key matters as they relate to them with respect to delivering these messages. Equally we place high importance on customer service and communication to support our growers regarding supply, product availability, quality, logistics and innovation, in a planned and consistent manner.

Technology improvements come in many forms – technology in the form of our new operating platform (which will be installed by the June 2020 year-end) will be utilised to increase business productivity, improve employee work quality and effectiveness of work functions, reduce operating costs and enhance grower and customer service levels. This technology will extend to better planning capabilities and provide growers and customers with timely and meaningful information. Other forms of artificial intelligence business tools, automation and growing technology will also be progressively utilised to improve efficiencies.

We remain committed to helping our growers respond to the industry challenges through our people capabilities by assisting with production planning, procurement, selling and marketing initiatives, logistics and operational efficiencies.

- Peter Hendry



Initiatives that support business growth are critical to our on-going success. Continually ensuring we remain relevant to our customer and grower shareholders is critical and is supported by the other key pillars explained in this report. Once again, the tailoring of business plans at each end of the supply chain are essential for mutual success.

The Board remains focused on strategically positioning the Group for future success and we thank the Board members for their governance and leadership in the face of some significant industry-wide challenges. The Board's engagement on the health, safety and wellbeing of our people is paramount and our culture of care strategies are under constant review to achieve this goal.

In addition, the Board has been active in a number of additional work streams including:

- The two-year review of the constitution adopted in 2016 to ensure that it is fit for purpose. Proposed changes are being submitted to the 2019 Annual Meeting of Shareholders (AGM). This work has been undertaken by the Constitution and Capital Structure Review Committee (a sub-committee of the full Board). The focus will now move on to the second part of the project which is looking at

the Group's capital structure. This is expected to be an eighteen month to two-year programme - an update will be provided to the 2019 AGM and fully reported to the 2020 AGM.

- The introduction of an Industry Trust - The Trust Deed and initial trustees are being submitted to the 2019 AGM for shareholder approval. The Industry Trust is intended to be a charitable trust focussing both on industry good (training, education, promotion and the like) and on giving back to the industry and communities that MG and its shareholders operate in. More details are included in the notice of meeting.

On behalf of the Board and management team, we acknowledge and thank all our stakeholders - our suppliers, customers and fellow staff for their continued support.

Looking ahead, we are well positioned and committed to creatively supporting our stakeholders in a challenging commercial environment as we work to grow our Co-operative, together for a stronger future.

We look forward to working with you all in 2020.

Together. Stronger. ®



Bruce Irvine
Chairman



Peter Hendry
Chief Executive Officer



FINANCIAL OVERVIEW

The Group's financial highlights are reported on page 3 of this review.

For the year to 30 June 2019 Group Gross Sales under Management amounted to \$923 million (2018: \$862 million). For the same period Group net profit before tax was \$24.7 million compared to \$13.67 million in 2018 (before impairment of \$32.33 million which resulted in a net loss of \$18.66 million).

As noted earlier, the strong performance was made up by a record result from the New Zealand operations, a solid turnaround in Australia and good contributions from the associate companies. Also of note is the one-off \$9.4 million gain from the sale of our Sydney warehouse property. This warehouse will not meet future operational requirements due to the

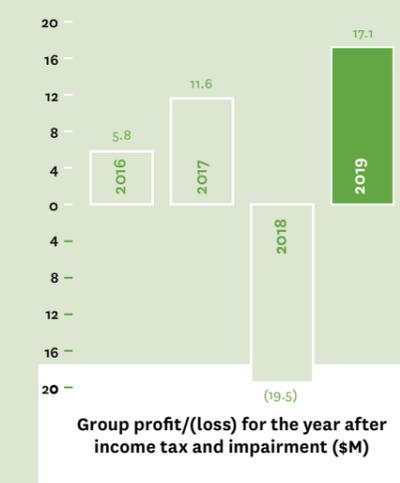
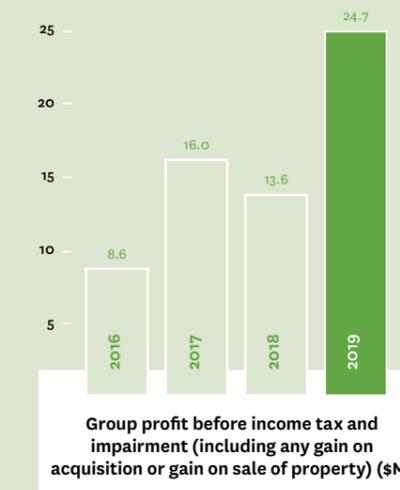
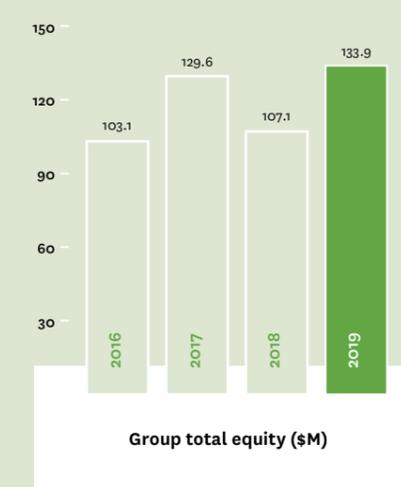
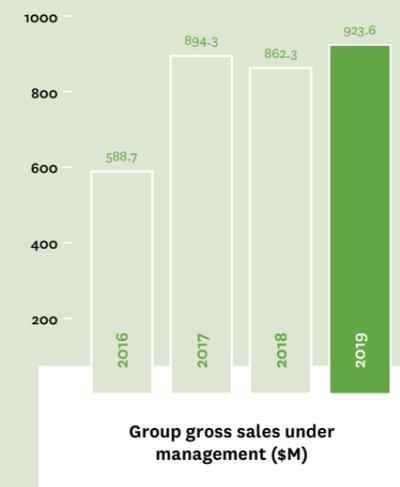
rezoning of the suburb to include more residential buildings. It has however been leased back for the short term whilst alternative premises are sourced. The proceeds from the sale of this property were used to strengthen the Group working capital, and to repay debt of AUD\$5.0 million. This sale was signalled in the 2018 financial statements and the property was disclosed in the statement of financial position as "non-current asset held for sale".

Also of note, total Group Equity continues to show positive growth, at \$133 million (2018: \$107 million) while total assets have increased to more than \$279 million (2018: \$260 million), reflecting the strong financial performance and inclusion of the latest property revaluations (an increase of \$13.5m taken to the revaluation reserve). In addition, in March 2019 the "D" shares

(which were accounted for as debt / borrowings) were repaid.

This strong financial performance will allow your Co-operative to continue to make strategic investments and create further shareholder wealth, whilst also continuing to distribute significant wealth to shareholders - the 2019 distributions are on page 11.

MG presents an Annual Report inclusive of full financial statements and an Annual Review with summarised information. If you would like a copy of either document visit, www.mgmarketing.co.nz, or contact the Company Secretary, Duncan Pryor, on (03) 343 1794 or email dpryor@mgmarketing.co.nz.



ANNUAL MEETING OF SHAREHOLDERS

All shareholders are invited to attend MG's Annual Meeting of shareholders. This year the event will be held at The Cellar Door, 143 Centennial Ave, Alexandra, on Wednesday 20 November 2019, commencing at 5.00pm. Shareholders are welcome to join MG directors, management and staff to formally or informally discuss matters of interest.

There will be drinks following on from the meeting and a dinner at approximately 7.30pm.

All shareholders and their partners are welcome to attend (RSVPs are required for catering purposes – details are included in the invitations to all shareholders distributed with the notice of the meeting).

DISTRIBUTIONS

Following another very strong year to 30 June 2019, the MG Board of Directors has resolved to return to its shareholders significant distributions totalling \$9.709 million (2018: \$7.148 million) by way of rebate shares, bonus issues and dividends. This is the fifth consecutive year that shareholders have received a special bonus issue. We note that the reported total now includes the value of imputation credits attached to those distributions.

On 7 August 2019 the Board declared the following distributions in relation to the year ended 30 June 2019:

- Special bonus issue – a fully imputed taxable special bonus issue of:
 - One new "A" share for every thirty existing "A" shares; and
 - Two new "B" shares for every five existing "B" shares; and
 - Two new "C" shares for every five existing "C" shares.
- 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 shareholders that are Current Producers that have supplied on a consignment basis during the financial year ended 30 June 2019.

- Bonus issue – a five for one fully imputed taxable bonus issue on the "C" shares issued out of the above rebate. This amounts to \$1.25 million worth of "C" shares being issued (Shareholders that are Current Producers receive five further "C" shares for every one "C" share they 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 six cents on every "A" share. Once again imputation credits are attached to this dividend.

The above distributions will be made only to those shareholders entered on the share register with effect from 30 June 2019 who continue to hold, at the date of the 2019 Annual Meeting, the shares held at 30 June 2019.

As noted above, the "D" shares were repaid in March 2019. As a result, a final dividend of two cents per "D" share was paid at that time.

The above special bonus issue, rebate, bonus issue and dividends represent \$9.7 million being distributed back to MG's loyal and supportive shareholders. Not only is this a significant distribution of wealth to the shareholder, but it represents the continuing strength of the Co-operative as a whole.

In addition, and 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 "A" shares. If you would like to participate in the dividend reinvestment plan please contact our Company Secretary, Duncan Pryor, at MG's Support Office for further information - email dpryor@mgmarketing.co.nz or phone (03) 343 1794.





↑ MG Board of Directors.

From left to right, top to bottom. Bruce Irvine; Andrew Fenton; Mark O'Connor; Lynn Crozier; Mike Russell; Joanna Lim; Trevor Burt; Trudi Webb; *Peter Hendry (Chief Executive Officer); *Duncan Pryor (Company Secretary & Chief Financial Officer); *Kerry Wells (International Business Manager).

*Executive Management attendees.

DIRECTORS & MANAGEMENT

As part of the Board's focus on strategic issues affecting our industry and Co-operative, we are continuing our constitutional and capital review as discussed above.

During the year, MG has successfully completed its second Director Internship, now to be called Associate Directorship. The Associate Director role is designed for those who have an interest in corporate governance and who aspire to director level roles. It allows for the recipient to gain valuable experience by

having a non-voting seat at the board table for approximately 12 months. The Board's Remuneration & Nomination Committee are currently in the process of considering candidates for the third Associate Director position.

In accordance with the Company's constitution, Mike Russell and Alan Thompson retired by rotation and, being eligible, offered themselves forward for re-election. Alan Thompson subsequently resigned as a director with effect from 28 June 2019. Trudi Webb

was validly nominated to stand for election. As a result of there being two people standing, both of whom were validly nominated for the two positions available, Mike Russell and Trudi Webb will, in accordance with the constitution, be declared automatically re-elected / elected at the 2019 AGM and no election ballot is required. In the interim period, on 7 August 2019 the Board appointed Trudi Webb as a director to fill the casual vacancy on the Board.

Bruce Irvine
Chairman, Appointed Special Director.

Bruce joined the MG Marketing Board in 1994. He has an extensive business background and previously held the position of Managing Partner of the Christchurch office of Chartered Accountants, Deloitte, between 1995 and 2007; and is past Chairman of Christchurch City Holdings Limited. Bruce is currently Chairman of Heartland Bank, House of Travel Holdings, Rakon and Skope Industries and director of a number of other public and private companies. Bruce is MG's Chairman, Chair of the LaManna Premier Group's Audit Committee and a Director of LaManna Premier Group Pty Ltd. Bruce is also a member of MG's Remuneration & Nomination Committee, Audit Committee and Constitution & Capital Structure Review Committee.

Chartered Fellow of the IOD* and Accredited Fellow of the Chartered Accountants Australia and New Zealand.

Andrew Fenton
Deputy Chairman, Elected Director.

Andrew joined the Board in 2002. He has more than 35 years in the avocado and kiwifruit industries through the Bay of Plenty-based Phoenix Partnership and Beresford Orchards Ltd.

He has extensive commercial and governance experience in businesses and industry groups. Andrew is currently a director of New Zealand Horticultural Export Authority and Kiwifruit New Zealand, President of the NZ Fruitgrowers' Federation, Chairman of the NZ Fruitgrowers' Charitable Trust, a Member of NZ Kiwifruit Growers Inc. and Chairman of Huddart Parker Building Co. Ltd.

MG Deputy Chairman, Chairman of the MG Remuneration & Nomination Committee, member of the Constitution & Capital Structure Review Committee and a Director of LaManna Premier Group Pty Ltd.

Andrew was previously the President of Horticulture NZ and Chairman of Satara Co-operative Group Ltd.

Chartered Fellow of the IOD*.

Trevor Burt
Appointed Special Director.

Trevor has high level experience in the strategic leadership of large and complex corporate organisations, and a proven record of implementing change and achieving results. As an experienced professional director, Trevor has held a number of previous roles including Chair of Ngai Tahu Holdings Corporation Ltd and Lyttelton Port of Christchurch Ltd, and Deputy Chair of PGG Wrightson Ltd. Trevor is currently Chair of the New Zealand Lamb Company Ltd and Hikurangi Cannabis Company Ltd and is a Director of Silver Fern Farms Ltd, Landpower NZ Ltd and Hossack Station Ltd. He is also a trustee of the Māia Health Foundation.

Chairman of the MG Audit Committee and member of the Constitution & Capital Structure Review Committee.

Chartered fellow of the IOD*.

Mike Russell
Elected Director.

Mike was appointed to the MG Marketing Board in November 2016.

Mike is a first-generation Hawkes Bay grower with 35 years' experience, in partnership with his wife Julie, specialising in plums.

Member of the MG Remuneration & Nomination Committee.

Member of the IOD*.

Mark O'Connor
Elected Director.

Mark is serving his second term as a MG Director having originally joined the MG Marketing Board in November 2014. He is a Director and shareholder of Appleby Fresh Ltd, a family-owned market gardening business in Nelson on the Waimea Plains.

Member of the Constitution & Capital Structure Review Committee.

Member of the IOD*.

Lynn Crozier
Elected Director.

Lynn joined the MG Marketing Board in 2012. Today Lynn, through a family-owned and operated business since the 1960's, is a major grower of potatoes, onions and carrots in Central Canterbury.

Member of the MG Audit Committee.

Member of the IOD*.

Joanna Lim
Elected Director.

Joanna (Jo) was elected to the MG board in 2018. She and her husband have a market garden business (Jade Garden Produce) and a share in a cucumber glasshouse operation (Island Horticulture Limited), both in the Christchurch area. Jo is also a Senior Associate at national law firm Simpson Grierson and specialises in financial markets / services and corporate advice. She also has expertise in climate change issues and the New Zealand emissions trading scheme. Jo involves herself in the local community as a trustee of the Selwyn Arts Trust and member of the St John Selwyn Central Area Committee.

Chair of the Constitution & Capital Structure Review Committee and member of MG's Audit Committee.

Member of the IOD*.

Trudi Webb
Board-appointed Director to fill a casual vacancy.

Trudi is part of a fourth-generation family growing enterprise, Webb's Fruit, near Cromwell in Central Otago. Trudi holds a first-class honours Bachelor of Applied Science (Horticulture) degree and is Chairperson of the Otago Fruit Growers Association and director of Summerfruit NZ. Trudi has recently completed the MG Director Internship programme (now Associate Director programme) and has been appointed to the MG board to fill a casual vacancy until this year's AGM at which time she will become an elected director (as discussed above).

*Institute of Directors in New Zealand.



Alan Thompson
Elected Director (resigned 28 June 2019)

Alan was appointed to the MG Marketing Board in November 2016.

Alan has a long history and background in the growing of many crops for the domestic market and for export and is an experienced exporter in his own right. The family business, Kainui Pack & Cool, is involved in the growing and packing of citrus, kiwifruit, avocados and melons, with pack house and cool stores in Kerikeri. Alan's family business holds a 30% shareholding in Te Mata Exports (2012) Ltd and Alan is a director of that business.

Alan resigned as an MG director on 28 June 2019.



MG PEOPLE

Our perennial theme on the value of our people is no less diminished as we charter a challenging market environment. We need to continually invest in our people so we can stay ahead of our competition and keep pace with the requirements of our broad customer base. This means employing the best people and continually building their capabilities. By keeping this top of mind – and following through in practice – we strengthen them, our business and the Co-operative.

Our priority must be creating a work environment that values diversity, where our people are safe and have the opportunity to grow and develop. Ours is a competitive and constantly changing environment. For MG to meet these challenges, we have to be an attractive environment for outstanding people, who understand and promote the culture of our business. The MG Graduate Programme and Sales Academy is an excellent example of how we foster this alignment. The sales and marketing development programmes are not only an investment in our people but also in the long-term capability of our industry.

← MG Executive Management Team

From left to right: Peter Hendry (Chief Executive Officer) Duncan Pryor (Company Secretary & Chief Financial Officer); Iain Higgins (IT Manager International); Kimberly Chavez (Internal Audit & Risk Manager); Jade Reeves (Imports Manager); Kerry Wells (International Business Manager); Roger Georgieff (National Procurement Manager); Chris Hibbert (Chief Information Officer); Jerry Prendergast (National Key Account & Brand Development Manager); Greig Pullar (National Operations Manager)



Our priority must be creating a work environment that values diversity, where our people are safe and have the opportunity to grow and develop.

As much as MG does to identify new talent, we also continue to work hard on maintaining our legacy of long-serving staff. We repeatedly hear from our customers how valuable continuity is to the success of both their and our businesses.

As we navigate continual change in our industry, we are committed to supporting tomorrow's leaders from within the Co-operative. To this end, leadership forms a key part of our people development programmes. Above all else, we value the well-being, and health and safety of our people. The 'culture of care' should never cease and for MG it is the essential foundation of our 'Together. Safer.'® programme.

A recurring theme within our industry is the difficulty in finding the next generation of growers. Succession is one of the many challenges facing us all and MG is playing its part in assisting with this process with another Growing You initiative discussed later in this review.

On behalf of the Board and Management, we thank our staff for their dedication, hard work and loyal service to our growers, customers and to our business. We again proudly acknowledge this contribution by featuring their names in this Review.

JINKY ACCHENI OPETAIA AFUIE DHRUV AGGARWAL MARIA ALAMEDA ALIPA ALAPATI CATERINA ALESSANDRINI ABID ALI VERDENE ALI PIFALATI ALOFAKI VINCENT ALOI ANNUNZIATO ANASTASIO SHAJI ANTONY JIAH ARLETTESALLEY VISHANT ARORA JAIPALA ARPORN JOSHUA ATKINSON USOALI AVIIVII ERROL BAIN KERRY BAIRD MANDY BAKER LUKE BAKER-GARTERS NATHAN BALSILLIE ADEEP BARAILI RACHEL BARKER TROY BARR PETER BARRETT DAVID BARRIE BLAIR BARWICK JAMES BATEMAN JEGATHEESWARY BATHMANATHAN JAMES BELL CAROLYN BELOE CAROLINE BENDALL COLIN BENNETT FRANK BENVENUTO LAURENCE BENVENUTO MARK BENVENUTO WENDY BERKETT JACK BESWICK AJESH BHAI BEENA BHANA FAZLI BINMASRI ROSNAH BINTIMOHDDHASHIM STACEY BLANCHARD MICHELLE BLIGHT ANDREW BODY JAY BOLSTAD CAROL BONHAM KAINE BOOTE CHRISTOPHER BORSATO SHAUN BOWIE TONY BOYD EAMMON BOYLE BREV BRAK CHRISTOPHER BRAMMALL GREISI BRAVO MICHAEL BREITMEYER ANNA BRENMUHL NEIL BRIDGENS KALEB BRIGHT GRANT BROUGHTON TONY BROWN BRIAN BUCHANAN HAYDEN BUCKLAND KHADGA BUDATHOKI HUYEN BUI RAHUL BUKSH DYLAN BULZOMI MAREK BUNGARD DANIELA BUNN LUKE BURGESS TREVOR BURT PETER BUTCHER JOHN BUTTERS GABRIELA CACERESIRIBARREN DARREN CACHIA GRANT CADDIGAN DOMINGO CAICEDOVALENCIA ANGUS CALDER FRASER CALDER MARK CALLEGARI SHAUN CALVI KIERAN CAMPBELL MICHAEL CAMPBELL ALLAN CANLAS ALEX CARTWRIGHT CARLA CASIMIRO PAUL CASIMIRO ALDO CATALANO NGUNDONGCHIN CEN HRANG TINLIAN CEN HRANG ALBERT CHALMERS ADITYA CHAND OWEN CHARLESTON KIMBERLY CHAVEZ NELSON CHAVEZ VARELA YAQING CHEN YUMENG CHEN LINDA CHHIM HELENA CHUNG MARIE CICERO SAMUEL COFFEY TAM COLE-HOLT NICOLA COLLIER AARON CONDON GIUSEPPE CORRONE ROCCO CORRONE GAVIN COSGRIFF MARK COSSAR JOSHUA CRAIK JAMIE CRAWFORD GIUSEPPE CREA GRANT CREIGHTON ALISTAIR CRETNEY ANDREW CROSS LYNN CROZIER JACQUELINE CUMMING CHRISTOPHER DAGNALL MELISSA DAMPIER DAHVY DAO LAWRENCE DARLING MARK DAUNT CRAIG DAVENPORT PIA-MARIA DAVIDSON COLIN DAVIS CAMERON DAVISON MICHAEL DEBONO MICHELLE DENSLOW JOSTISHNA DEVI JOSEPH DEVLIN ANTHONY DI PIETRO FRANK DI PIETRO SCOTT DICKEY JONATHAN DILLON ADRIAN DIONISIO THAWNGSWE DORU GOLDIE DODDS LEON DODDS DAVID DOHNT RAMON DONES CHRISTOPHER DONEY PHILLIPA DUNN ELIZABETH DUONG DERRICK DYSON GEORGE EAGLES DAVID EDMONDS SHARLENE EDWARDS JACOB EDWARDS MIRUNALINI ELANGO KENT ELFORD OBEDA ELIA IAKOPO ELISARA EPATI ELISARA SOLI ALLAN ELLIOTT NAW ELLIS SHIRLEY ELVY JOSH ELY DAVID ERICSON ALAN EVANS PETER EVANS JOANNE EVERINGHAM JIM EVGENIADIS JOVIN FABIC MATTHEW FAIRCLOUGH ELISARA FALO THAIANG FAMCUN WAYNE FARROW TANSWELL FELIX LAURIE FEMIA ANDREW FENTON FOLAUHOLA FETUU SOANE FETUU ERIC FIELD BLAIR FISHER DOUGLAS FISHER GWENDA FOLEY MURRAY FORBES INGE FOUNTAINE ANGELA FRANCIS LINDSAY FRANCIS GEORGE FRANCIS FRANK FRAPPA DAVID FREEMAN CAMERON FRIEND MARIA FROOME TUAMAPA FRUEAN BAILEY GALL DEAN GALL TRENT GALL FRANCESCO GALLICCHIO DAVID GANNON ROMEO GARCIA FLOYD GARDINER JESSICA GARDNER DOMINIC GARGIULO BRIAN GARGIULO JAMES GARGIULO MARCUS GARGIULO PIERRE GARGIULO ABRAHAM GARZA COLIN GASS ROGER GEORGIEFF BRENDAN GIBBONS IVAN GILBERT CLAUDIA GIORNO BENJAMIN GLANVILLE MARCUS GOBALD ALEX GODFREY JIMMY GOMEZCRUZ MATTHEW GORDON BRENT GRAHAM DAVID GRASSO ELIZABETH GREENWOOD DANUTA GROBELSKI ADAM GROVE MARTIN GRUNDLINGH PRANESH GUPTAANDHYALA ABBAS HAIDER CHRIS HAJOS DEAN HAMILL NURUL HANA MOHD SHOKERI THI HAODINH NALEEN HARAKH SIMON HARDIE MARK HARDING JOSHUA HARDING LIAM HART BRUCE HARVEY SCOTT HARVEY ERROL HATTERSLEY VILIAM I HAVILI JAMES HAYWARD DANIELSON HEATHER ALEX HENDRY PETER HENDRY MARIA HENRY-MELSON ADAM HEREMAIA CHRIS HIBBERT SIMON HICKEY WING HIEW IAIN HIGGINS MOHAMMAD HIJAZI TRUCE-ANNE HILLARY JACK HILLIER CORAZON HINCHCLIFFE TJ HIRINI ALEX HIRSLER GRAEME HIRST NGUNDAWTLIAN HLANWCEU CUNG HLICHAL ANDREW HOARE MARK HOBBS ROB HOLLIER BLAKE HOOKHAM MATTHEW HOUSE ROSS HOWARD MARTIC HRABANOV YUANYUAN HU COLIN HUDGSON ANDREW HUESSER WAYNE HUME BENJAMIN HUME NIDA HUOT PIO HURINUI PETER HURRING GRANT INWOOD SALA IOANE BRUCE IRVINE KAORI ISHIKAWA JEREMY JAMES BEATA JANKO CHARLOTTE JEFFORD KYOHUN JEONG MATTHEW JEWELL YI JIANG NARENDRA JINA MAXWELL JOHANSSON PAUL JOHNSON ABBY JONES PIERRE JOUBERT TRIIN KALMUS CARMEN KANNIS JONATHAN KARANTGIS PARDEEP KATARIA LOPASITA KATOA PENISONI KATOA JASBIR KAUR RAMINDER KAUR SIOSAIA KAVA MATTHEW KELSALL RORTHA KEO JANETTE KERR IRSHAD KHAN RAKSMEY KHUN RIAN KIDD THI KIEU DIEM CHAU HYEMIN KIM PAUL KING JENNIFER KIRKWOOD DODINA KISONA SHARON KLEINHANS NEELAM KOUR JAYAPRAKASH KRISHNAMOORTHY CHARLIE KUMAR MANDEEP KUMAR SUSHMITA KUMAR GAURAV KUMAR DAVID LADARU PANAPA LAFOA ROSS LAIDLAW SIULAATI LAKALAKA SAMUELAFOTU LALONI HIEUTHINGOC LAM ANGILILO LAMA SIFA LAMA TIUETIFONUA LAMA GEOFF LAMONT DAVID LANDY LAWRENCE LAVERY HUMPHREY LAWRENCE JUHEE LEE HAZEL LEES ERONI LEILUA RICCARDO LE'MONT CHRISTOPHER LEONE CHI LEUNG GAVIN LEVY TRUDY LEWIS MICHAEL LIA JO LIM BIMALA LIMBU KAREN LINDSAY CAROL LISSINGTON DANIEL LITTLE WILLIAM LITTLE XIUGE LIU ZHONGYA LIU LEI LIU MARK LOGIUDICE KWAI LOKNG PETER LOPES CHUN-CHIA LU DICKSON LUPO TUSIGA LUTAU BRUCE LYON ROSS MADAFFERI BAL MAGAR BOM MAGAR MANGAL MAGAR YAM MAGAR TK MAH BRADLEY MAHAR BRENT MAHAR AJAY MAJHI JITH MAJHI SHAQUILLE MAKIHA JAMES MALONEY JOSEPH MANARITI ROCCO MANARITI DHAN MANGAR

DIL MANGAR GAURI MANGAR TIL MANGAR UNTI MANGAR FUSIPALA MANOA DAYAL MANU SAM MARSON IAN MARTIN ROBERT MARTIN HAMISH MASON SCOTT MASON FALCO MASTROCOLA LUKE MASTROCOLA BERNARD MATAELE SEKONA MATAELE TOETU MATAIPULE SUZANNE MATTINGLY TAUელი MAUGA TIMOTHY MAWSON AARON MAYNE DANIEL MAZENGIA ALLAN MAZZOLA MURRAY MCBRIDE ALEX MCCALLUM JANET MCCLUSKIE-SUBLETT RYAN MCDOUGALL STORM MCDOWELL YVONNE MCILWAIN LYNN MCKAY MARGARET MCKENZIE ANDREW MCKENZIE ELLEN MCKENZIE MITCHELL MCKEOWEN LUKE MCKEOWN DEREK MCKINNEL PHILIP MCLEAN JUSTIN MCVEIGH SOE MEH GREGORY MEIBUSCH REECE MERRETT DALE METCALF MATTHEW METCALF MARK MIDDLETON SALVATORE MILANESE DANIEL MILES RANGI MILLAN STEPHEN MILLAR JACQUELINE MILLAR IAN MILNE JO MINTON-CONNELL LAR MIT MALACHI MITCHELL JAYDEN MOLLOY PRADIP MONGAR PURNA MONGAR DANIEL MOOR MICHAEL MOORE RUFINO MORALES JORDYN MORGAN-DENS'E STEVEN MORICE KIM MOUNSEY SAY MOYKHEE ROB MULHOLLAND KEVIN MUNROE SRINIVAS MUPPAVARAM LOGAN MURPHY GEOFFREY MURRAY ALLAN MURRAY VINCE MUSICO SOJAN MUTHUNNY WHITNEY MUTU CON MYDARAS FLORA MYDARAS CON MYLONOPOULOS HAN NAPARK MAHES NARAN VIJAY NARAYAN DANIEL NEUMANN JEFF NEUMANN PATIENCE NGUGI SY NGUON LIEM NGUYEN SANH NGUYEN TRAN NGUYENTANKHOA PHUONG NHI VO JASON NOBLE COURTNEY NORMAN TIMOTHY NORTH PETER NORTHERN CESAR NUNEZTORO STEVEN OAKES SAMANTHA O'CONNELL MARK O'CONNOR URSULA O'DONOHUE WAYNE O'HALLORAN GRAEME OLDHAM BRENDAN O'NEILL SEAN O'NEILL CHRISTOPHER O'ROURKE ROGER O'SULLIVAN RICHARD OTT KIM OUNSOUNG NOEL OWEN FRANZ PABLO SHAJU PADAYATTYHORMMIES MARARNOE PAHSU SENITU PAKOME MILES PALMER KIRAN PANT DIMITRIOS PAPAGIANNIS MICHAEL PARK MARCUS PARLATO JAMES PARRY JUSTIN PARSONS MONIKA PATEL SUNIL PATEL ALONE PATIA DEVON PATRIX CRAIG PERRY DARRYL PETERSON THUY PHAN LAR PHAN HOON PHAT SUZANNE PHIBBS JORDON PHILLIPS FRANK PICCOLO GIOVANNI PILATI LAURA PIO ENZA PITITTO ROBERT PITOITUA SIATHAN PLIANSATJA MARK PLYMIN TIMOTHY POORTER ADELLE PORTER BLANCA PORTILLOACOSTA CHABI PRADHAN CHANDRA PRADHAN SENDRU PRANATABONG BHIM PRASADDHUNGANA JERRY PRENDERGAST LIAN PRICE DAVID PRICE STEPHEN PRIOR CRAIG PRITCHARD SAMUEL PROUTING DUNCAN PRYOR GREIG PULLAR JAMIE PULLENE KARTIK PURI KRISHNA PUWARMAGAR TULA PUWARMAGAR LUKE RADAN KAREN RADWAY ASHOK RAI AMIT RAM TONY RANALLI RUSSELL RANGIRANGI ABDUL RASHID JOSHUA RATIMA GIOVANNI RATIMA-MITA JITHENDRA REDDYBATTULA JADE REEVES MICHAEL REGAN BEH REH DAY REH KO REH NAY REH POE REH POE REH PREH REH SAY REH SHAR REH SHARON REID BRETT REID HOWARD REILLY IAN REISIMA COREY RHEA JOHN RHEA MICAH RICHARDS WENDY RICHARDS SHANE RICKIT JASON ROBERTS LANCE ROBERTSON RUSSELL ROBINSON JOHN RODERICK LIGIA RODRIGUES CLARISSA ROMANO DAMIEN ROSELLA BENJAMIN ROSS FRANK RUGGIERO NI RUNG NATASHA RUS JAMIE RUSS MIKE RUSSELL MATHEW RYAN DANIEL SALAU ADELINE SALLEY-GLOBIO GLENN SALT LAL SANGI DAVID SAVILLE ROCCO SCARFO NATALIE SCARGALL KYLE SCHINS EVELYN SCHWEIGHOFER PAOLO SCIANCALEPORE SHANE SCOTT DIANE SCOTT LIN SHATEHO BRUCE SHEED REBECCA SHEED CURTLY SHRIMPSON KAMALKANT SHUKLA AMANDEEP SINGH ARSHDEEP SINGH ASHNOTI SINGH DILDAR SINGH HARVINDER SINGH RACHHPAL SINGH SATNAM SINGH PRANEEL SINGH GURTEJ SINGHSIDHU HARSIMRAN SINGHSRAN INDIANA SINNOTT JOHN SIOZIOS WAICHUEN SIU TIMEA SIVERTSEN STEVEN SKRUZNY ANTON SKVORTCOV NATHAN SMART MARK SMITH GLENN SMITH SEFETI SOANE DAVINDER SOHI TAFUNAI SOLI TREVOR SOLOMONA DAVID SPEDPING MELISSA SPENCER RHETT SPENCER STEPHEN SPENCER JOSEPH SPITERI BRENDAN SPITTLES KELLIE STAM PETER STAM NUNZIO STARVAGGI MICHAEL STEVENS ANTHONY STONE OWEN STOTTS SIMONE STRATHAIRN GRANT STUMBLES HEKI SUVAMOUNGA WAYNE SWIFT GEORGE SYMEONAKIS AARON TAHI RICHARD TAIAROA ISILELI TAKAU DARRIA TALAWNG CEM TALAWNG AJITH TAMANG BONNIE TAMATEA SUN TANG SAIMONE TANGATAEVAHA PIERRE TANNOURI FA'AILOGA TANUVASA KELEKOLIO TAPUELUELU ANGELO TARANTO MARIO TARANTO TAVINA TAVINA PHUONG TAYHUYNH CAMERON TAYLOR GORDON TAYLOR EVAN TEHIKO KAIREWA TEPANIA HENGKIM THACH KIENNGOC THACH THANHNI THACH THISADRY THACH THUON THACH NU THANH DIEP BIJENDRA THAPALIYA DEP DANH THI OANH THI UTKIM THI ELANGO THIYAGAARAJAN BEN THOMAS EMMA THOMAS ALAN THOMPSON PAULINE THOMPSON WILLIAM THRUSSELL LAR THU MICHAEL TIERNEY SUNG TLUANG NEH ALFRED TOAILOA BERNARD TOAILOA MATTHAN TOAILOA ROMERO TOAILOA MAREE TOKOLAH MONEKI TOMA PENISIMANI TONGA PETERU TOPETO JAMES TORDOFF CYRIL TORRANCE MU TOY THIHUE TRAM THIXUANDAO TRAN THISIDA TRAN TRAI TRAN VE TRAN THI TRANG DOUG TRASK JOSEPH TRIMBOLI NATASHA TROVATO ALAN TSAI JERMAINE TUHI TOLOVAE TUILAIPA TUITI-ANGELAS TUITI-TAHI BOBBY TUPOU CARL TURNER TAMANGO UARUTA MAI UNG BRANDON UTIA AISEA VAILEA GIUSEPPE VALLELONGA PENG VANPENG ANDREW VASSALLO IRINA VASSILIEVA KELEPI VAVE CON VELONIAS APOLLO VUNIPOLA JOHN WADDINGTON SHANE WADSWORTH SHERYL WAGNER MICHAEL WAGNER ALAN WAKE BRETT WALKER MURRAY WARD ROSS WATSON KATE WATSON JENNIFER WATT TRUDI WEBB WAYNE WEBLEY KERRY WELLS KELLY WETERE LA WI KEN WILLEY ELLIOT WILLIAMS DIANA WILSON ANDREW WILTON CHIN WINGLAM WING WONG JARED WOODCOCK ETHAN WOODMASS ROSANNE WORSFOLD ALEX YE JONGHO YEO CHENGMING YI QUI YINGHUANG JIAN YULIN YEN YU-CHENG ANTONIO ZANNINO CATINTIAL ZATHANG WENDY ZHOU

Together.

Stronger.



NEW ZEALAND OPERATIONS

The New Zealand operations maintained an upward growth curve and had another record year in gross sales under management and pre-tax profit. It was especially pleasing to see sales increasing in the current market climate despite deflated prices across many lines at times during the year, especially in the last quarter of the financial year. All operating divisions performed well, and expenses continue to be appropriately managed.

Responding to climate variables seems like a never-ending theme and is very visible through media and on the farm. The mild autumn and winter of this year has created early and large volumes of crops across many products with the consequence of reduced returns. A softening of demand is also evident, and we expect this to continue for some time as domestic and global financial pressures shape consumer purchasing behaviour to some extent.

We remain acutely conscious of the need to create and maintain sustainable supply programmes with growers and customers despite events beyond our control. A recurring theme throughout this report is the need for good communication and planning, allied to investment in human resources.

Some major capital work projects are underway and will continue throughout 2020. A new computer operating system will be in place by the June 2020 year end – this will allow our growers and customers to access information seamlessly and in real time, while providing more efficiency and accuracy for the business. For insurance purposes we are now retrofitting our five largest branches with sprinkler systems. This is a significant expense imposed on the business to ensure our major assets are able to be insured. Auckland branch extensions are commencing and will

progressively occur over two years. Even with new ways of facilitating business direct to customers, the continued growth at our Auckland operations is no longer supported by the current facilities. Extensions and, potentially, adding a new building will allow further growth and efficiency gains.

JS Ewers Ltd (Ewers), in its second year as a fully owned MG entity, has had a very good performance despite the lower values through the later part of the 2019 financial year. Ewers continues to enhance its sustainability with capital projects focused on heat recovery and efficiencies in the glasshouse operations. Ewers has also played its part in securing long term water supply through a significant investment in and support of the Waimea Dam project.



We remain acutely conscious of the need to create and maintain sustainable supply programmes with growers and customers despite events beyond our control.

There is an on-going requirement for the industry to continually develop fresh talent and improve succession planning. Ewers recognises this and is implementing a grower internship this coming December, working with several schools to find the next generation of growers. Our intention is to roll this out to other supply regions in partnership with growers after gaining insight and learnings from the implementation of the programme.

Ewers is a substantial glasshouse and outdoor vegetable production unit that delivers on MG's core purpose of generating shareholder wealth in line with our strategic pillars. As well as being a profitable business, the scale, range, quality and continuity of supply it brings creates category support from key customers. This allows other suppliers to support category supply initiatives and grow their business.

MG has made a further investment in a berry fruit joint venture, Kaipaki Berryfruits Ltd, with a similar strategy of securing supply and custom. This will be a substantial operation which moves away from traditional growing methods, requiring high capital input for under cover cropping to better manage weather variables, while creating labour efficiency. The business is located in Cambridge and will utilise IP varieties that will help grow category demand here and at other MG supplier operations.

Costs continue to be well managed, but we face continual inflationary pressure and we are crucially aware of the ongoing focus needed in this area. As mentioned earlier the cost of compliance, insurance, rising minimum wage costs, fuel and many other areas of our business, requires on-going investment in technology, systems and people to lower the affects. Our MG Direct and Grower

Delivery Advice portal have been recent examples of this, but we will continue to do things smarter and more efficiently as costs rise and margins are squeezed.

We are always looking at ways to make work at MG more rewarding, whether it's for long-serving staff or newcomers who we recruit through our graduate programme. We pay particular attention to enhancing our procurement systems, the effectiveness of our sales team and key account management - the 2019 results demonstrate that the physical, financial and emotional investment is well worthwhile. Crucially, at a broad level, the effort also serves to strengthen us as a Co-operative.



INTERNATIONAL TRADING

The imports marketplace has been competitive across all major import lines. Market share on bananas remained stable, with consumer consumption down on the previous year, but average values improved. Imports of other product lines improved in terms of market share during the year but were constrained on margin in a competitive market - the legacy of some challenging growing seasons. Overall the Company had a record year of turnover across all import lines - MG leads the way with the import of domestically unavailable or out of season products and continues to provide the necessary resources to growing and improving this key category to support the Company's overall business proposition.

Our ability to meet discerning customer and consumer needs is supported by many suppliers from 17 countries who are leaders in their field. Much like

our domestic suppliers, the ability to build lasting relationships and a deep understanding of the marketplace are key factors in our success. Many of our international supply partners have been with MG from the early days of import deregulation in the mid '90s.

Across the key import lines of bananas, citrus and grapes we have supply partnerships with highly regarded international suppliers such as Dole (25 years in partnership), Sunkist (19 years), Mildura Fruit Co in Australia, Jasmine Vineyards (19 years) in California, Dole Chile (24 years), Fruitmaster in Australia

Overall the company had a record year of turnover across all import lines.

and many more family run businesses. They provide MG with the necessary supply and support to meet the discerning needs of our customers and consumers.

New pest interceptions and the need to protect our borders from unwanted pests through new post-harvest treatments are presenting some supply challenges moving forward. MPI is currently reviewing all import health standards for fruit and vegetables, which is likely to present new challenges and potentially opportunities.



↑ LaManna Premier Group Board of Directors.

From left to right, top to bottom. Anthony Di Pietro (Group CEO); *Dean Gall (Chief Operating Officer); Brian Gargiulo, MBE (Chair); Andrew Fenton; Bruce Irvine; Mark LoGiudice; *Mark Plymin (Chief Financial Officer); *Jo Minton-Connell (GM Human Resources); Peter Hendry; *Simon Hardie (Chief Commercial Officer); *Duncan Pryor (Secretary to the Board).

*Executive Management attendees.

AUSTRALIAN OPERATIONS – LAMANNA PREMIER GROUP PTY. LTD (LPG)

The 2019 financial year shows a substantial improvement on LPG's 2018 trading results. This has been encouraging progress in an environment of continued volatility and challenging market conditions in Australia. The Board and Management of LPG continue to focus on post-merger structural change and business improvement strategies. All of this is aimed at underpinning continued growth and sustainability in all market conditions.

The 2018 depressed market conditions continued early into 2019 before an improvement halfway through the year. Whilst supply conditions fluctuated and impacted market conditions, several of our initiatives helped mitigate this.

From a cost management perspective, improvements in operational efficiencies

reduced year on year costs as well as delivering customers and grower suppliers with industry leading service. An expansion of 'direct to distribution facilities' supply across all categories is having a positive effect on our cost management which will also enable warehouse consolidation over the medium to longer term. The development of our business analytics tool progressed in 2019. Its implementation through 2020 will enable close performance management reporting according to activity in the key revenue streams of the business in all operating divisions.

Our investments in key categories from farm production right through the supply chain enabled LPG to secure strategic sales volume commitments with major retailers. The banana and tomato

categories are the flagship of LPG, nationally, and are both supported by our industry leading farming and packing operations. LPG also continues to evolve as an industry leader in its other key categories of soft vegetables (capsicum, zucchini and eggplant), melons, pumpkin, citrus, tropical fruits and stone (summer) fruits.

Ripening and service provision to third party growers and packers, particularly mangoes and avocados, grew significantly. This was on the back of ripening infrastructure improvements and a focus on building facilities with industry leading systems, processes and team expertise in ripening management.

International sales are set to grow significantly in 2020 following the commencement of the 'LPG Cutri Fruit



We are addressing our short-term challenges head on in order to meet MG's and LPG's long-term vision of growth and sustainability.

Global' business in 2019. Cutri Fruit is one of Australia's leading stone fruit growers and packers and a trusted partner of LPG. We are excited about the prospect of our joint approach to international sales and marketing, which will leverage the benefits and strengths of both partners.

Volumes of non-core lines continue to be challenging with limited opportunities into major retailers and most sales being through our Trading (central market) Division.

LPG is well placed to continue to grow with major retailers. Our supply chain model offers consistency of supply, fully integrated quality management systems, category management teams that plan alongside retailers, along with compliance and ethical standards that

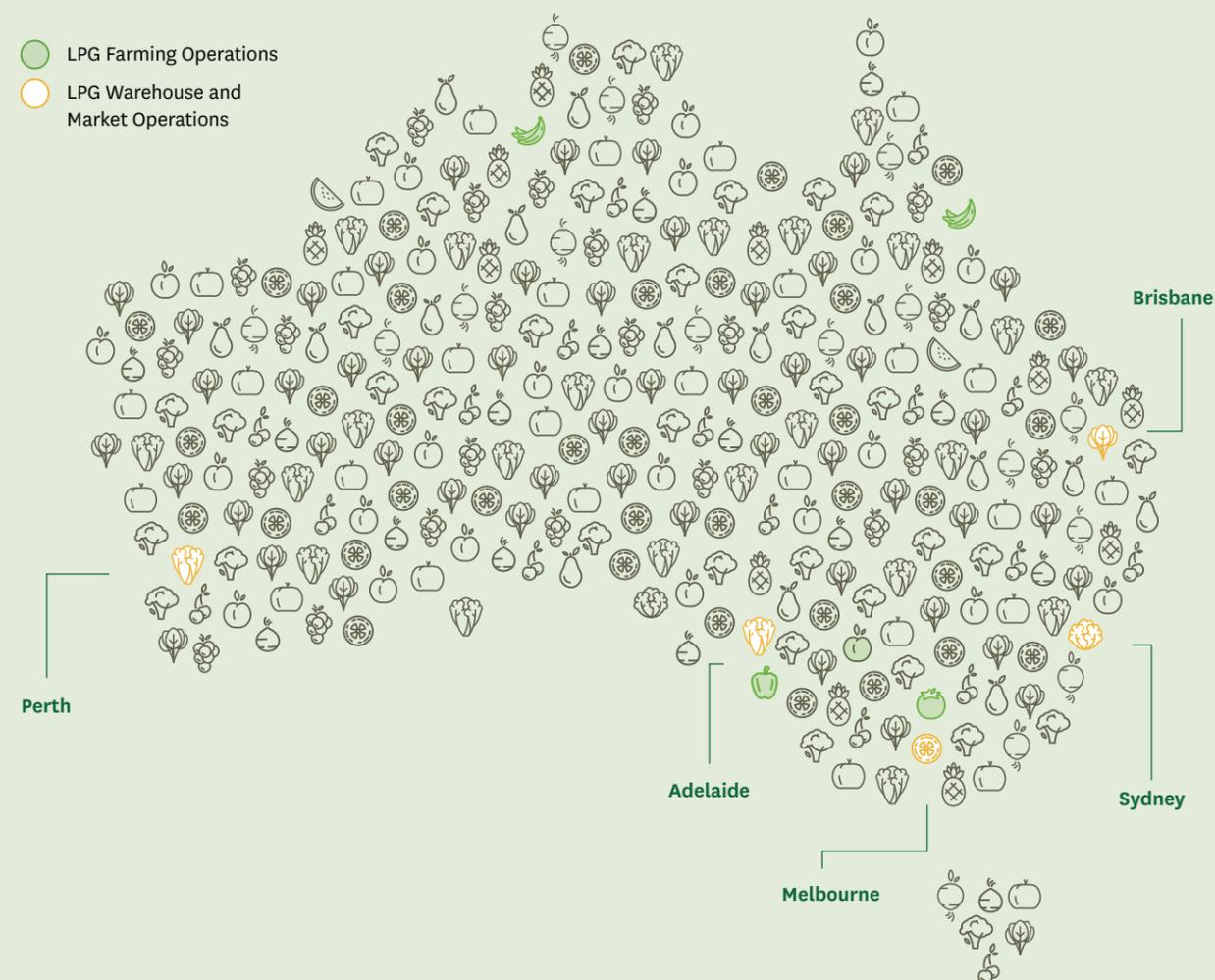
meet and exceed requirements of the corporate ownership of major retailers.

Our farming operations have maintained an ongoing focus on improving operational efficiencies, yields and quality production. Our supply commitments with the major retailers underpin continued investment in growth and improvement. Maintaining product values continues to be the most significant challenge for our farms.

We continue to invest in infrastructure and system improvements to drive cost efficiencies and revenue growth. Such initiatives included the expansion of the Brisbane distribution centre with new state of the art ripening facilities, and the installation of pipe and rail infrastructure at the Lancaster Farms greenhouse.

Investment in our talent programme is also having a positive impact on LPG's performance with the third-year intake of the Graduate Programme underway. Our inaugural graduates are all progressing well. Our teams are now investing in the "Growing You" High Performance Programme, aimed at accelerating the development of our high potential employees.

Our LPG team members continue to strive for excellence and are proud to be part of the Trans-Tasman Group. We are addressing our short-term challenges head on in order to meet MG and LPG's long-term vision of growth and sustainability.



LPG FARMING OPERATIONS

Innisfail Banana Farming Company (Joint Venture with the Borsato Family), Innisfail, Queensland
- Circa 142 hectares under crop
- Circa 340,000 cartons produced annually

Australian Banana Company Innisfail, Queensland
- 2 banana packing facilities
- Specialising in banana packing
- Circa 1.2 million cartons packed p.a.

Darwin Fruit Farms (Joint Venture with Piñata Farms) Humpty Doo, Northern Territory
- 369 hectares under crop
- Growing bananas, pineapples and tropical fruits (primarily mangoes)
- Circa 320,000 cartons produced annually

Freshway Farms Virginia, South Australia
- 2.7 hectares of greenhouses
- Growing tomatoes, capsicums, cucumbers, zucchini and eggplant
- Circa 160,000 cartons produced annually

LPG Mercuri Farming (Joint Venture with the Mercuri Family) Lancaster, Victoria
- 57 hectares of field tomatoes under crop
- Circa 340,000 cartons

LPG Cutri Fruit Global (Joint Venture with Cutri Fruits) Woorinen, Victoria
- International Sales combining LPG and Cutri Fruit resources
- 384 hectares of stone fruit (nectarines, peaches, plums)
- Circa 8 million kgs produced annually

LPG Lancaster Farming Lancaster, Victoria
- Hydroponic crops grown under a retractable roof structure
- Stage 1 (5 hectares) of a 3 stage 25 hectare project complete and under harvest
- Initially growing gourmet tomatoes
- Circa 250,000 cartons to be produced annually in Stage 1



TE MATA EXPORTS 2012 LTD (TE MATA)

MG's joint venture export partner, Te Mata, has had mixed trading across its product portfolio in its financial year ended 31 December 2018.

Generally speaking, the apple industry enjoyed another strong export season in 2018 and this was reflected in the company's performance with sales volume, turnover and returns improved on the previous year. We expect our apple exports to continue to grow as supply partners increase their volume and yields. We see a positive future

in this category – backed by on-going investment in scale, post-harvest infrastructure and new IP varieties creating improved eating experiences, shelf life and grower returns.

Sales across other traded products (citrus, cherries, avocado and grapes) were more challenging due to weather variables, shorter crops and some fruit condition issues. Seasonal variances are not unusual, and we expect there to be an improvement in future years as we continue to diversify further with scale in these categories.

The business is continuing to invest in more internal resources to assist with additional volumes and capturing new opportunities. Te Mata will also look at other strategic investments to secure supply and grow the business.

UNITED FLOWER GROWERS LTD (UFG)

MG's joint venture flower business also had a challenging year of trading, with top line sales slightly down on last year and higher operating costs contributing to a reduced result.

General trading conditions reflect a weakening of consumer economic confidence and the tightening of spend on luxury or discretionary items. These financial head-winds look likely to continue for some time. Overall, the industry is consolidating and channels to market are evolving. UFG is monitoring these changes and continues to adapt accordingly. This business is no different to fruit and vegetables, requiring the same levels of discipline around cost control, stakeholder service, support and communication in order to be successful.

The business now operates from a network of five locations with auction and wholesale facilities in Auckland, Wellington and Christchurch, as well as wholesale facilities in Dunedin and Invercargill. The cloud auction services (online auction portal) through the Auckland and Christchurch branches provide further reach beyond the main cities.

UFG is investing in a new business operating platform that will further improve company performance, efficiencies and enhance the cloud auction. The business will continue to focus on investing in streamlining processes, product consistency, improved logistics and effective marketing of New Zealand cut flowers, supplementing this with imported product at appropriate times.



FIRST FRESH NEW ZEALAND LTD (FIRST FRESH)

MG purchased a 30% share of Gisborne based First Fresh in December 2017. This company was formed in 1989 to pack and market an expanding volume of locally grown product, both domestically and offshore. First Fresh are the largest citrus supplier to the domestic market, as well as a leading exporter of both citrus and persimmons. The investment has strengthened MG's supply base in these products, along with kiwifruit and other sub-tropical lines, for the New Zealand market.

Overall the industry volume of citrus was up for the year. Citrus is particularly prone to biennial bearing which led to periods of oversupply on the domestic market and this year values were generally lower per kilo as a result. First Fresh managed to maintain market share across all of the major varieties. Challenging weather conditions through

the autumn and winter of 2018 meant that managing quality was paramount and this is an area where First Fresh excels.

Citrus exports, which mainly focuses on lemons, were steady in the main markets of Japan, the US and China. New Zealand is very much a niche player on a global scale but nonetheless it can exploit counter seasonal opportunities that exist.

First Fresh has secured the exclusive right to pack Sunkist branded citrus in New Zealand (Meyer lemons, oranges and mandarins) and market this fruit to Sunkist receivers in Asia. The Sunkist brand is well recognised in Asian markets and offers First Fresh further scope to develop citrus exports.

New plantings of persimmons coming on stream in Gisborne saw an overall lift in production of this crop. First Fresh

packs and markets over 70% of the national persimmon crop and with a strong export component this product is hugely important to the business. Access has recently been granted to two new markets (USA and China) and the company is in the process of developing supply programmes to them.

New Zealand Fruits Limited, First Fresh's postharvest service provider, completed a multimillion upgrade to its facility including the installation of the latest in fruit grading and sizing technology. In time this new line will provide efficiencies around packing and quality.

The addition of two new staff members in late 2018 bolstered the First Fresh sales, marketing and field service teams, which has the company well poised for future growth.



NEW ZEALAND FRUIT TREE COMPANY LTD

MG now has a 33% shareholding (2018: 22%) in the New Zealand Fruit Tree Company Ltd, along with 33% of Zee Sweet Ltd – these companies were established in 1996 and manage intellectual property rights, representing a wide range of global plant breeders in the New Zealand market for summer-fruit and pip-fruit in particular.

The investment was strategically designed to strengthen MG's position as a leading domestic marketer of New Zealand summer-fruit. In addition, MG is now at the forefront of assisting growers with new varieties that appeal to consumers, along with enhancing farmgate returns and a more sustainable future. There are a number of exciting new apple varieties also coming to market which MG will participate in through its involvement in Te Mata (discussed above).

The business has suffered setbacks during the year but continues to perform well. These setbacks were due to biosecurity issues which have delayed the importation and commercialisation of a number of new varieties – the business (along with other affected parties) successfully contested the adverse MPI rulings, but the commercial setback could not be reversed immediately.





MG in the community

We are in the business of 'selling health' to our people and the nation and are responsive to the needs of our community.

In keeping with that broad ambition, MG is a major supporter of the United Fresh and the 5+A Day Charitable Trust programme, an initiative launched over 10 years ago to encourage consumption of more fresh fruit and vegetables. MG is proud of its contribution to this programme and its work with the charitable trust behind it.

MG has always supported a wide range of community and industry good initiatives. One of our longstanding partnerships is with the Salvation Army, which works tirelessly across New Zealand to fight poverty and social distress. MG has continued its partnership with the Māia Health Foundation (Māia) which raises funds for essential projects to help New Zealanders get the right medical care. By supporting Māia we can play an important role in supporting the health of many New Zealanders.

As communicated earlier in the year, and as already discussed, to demonstrate our commitment to the produce industry and community, the Board is putting a proposal to shareholders at this year's AGM (20 November 2019 in Alexandra) for the formation of an Industry Trust to undertake industry good projects in general. The proposed resolution will seek approval of the trust deed and the initial trustees. The Industry Trust is intended to be a charitable trust focussing on industry good (training, education, promotion etc) and on giving back to the produce industry and communities that MG and its shareholders operate in. More details are included in the notice of meeting.





GROWING YOU

We have put significant resources into our Grower Development Workshop Programme again this year, working with organisations such as Lincoln University to offer our growers access to some of the latest insights within horticulture. The most recent workshop in Napier attracted a record number of growers – we will keep moving these events around to different locations to cater for product interests.

The regional grower ‘shed’ meetings are part of our communication plan. This is our opportunity to keep the grower Co-operative members and suppliers abreast of MG’s recent initiatives, discuss the financial performance of the company, provide insights on topical issues affecting our industry, gain feedback and respond to questions. We encourage you to participate in these meetings to enable a two-way flow of ideas and information.

The Intern Director Programme, now called Associate Director Programme, was introduced in 2015 with the aim of encouraging shareholders to grow their knowledge and governance experience. The position allows the Associate to attend all meetings with full speaking rights, but no voting rights, and is supported by a mentor from the MG Board. Our second associate director, Trudi Webb, completed

the programme in the past year and, as noted earlier, has recently been appointed as a full MG Director.

In the coming year the Board also intends to use the JS Ewers Ltd Grower Internship Programme as a model for other parts of the produce industry. More on this will be communicated as we learn and modify its format.



SUSTAINABILITY INITIATIVES

Sustainability is many things to many people. There is, however, general alignment in the view that best practice is about the responsible use of resources today – be they environmental, financial or human - to ensure the ability of future generations to meet their own needs.

MG has a responsibility and opportunity to lead by example and set strategies to ensure that its commercial activities are conducted in a manner that is empathetic to the environment, and that reflects the values of our customer and growers.

In this context, the Company is working on sustainability initiatives that are anchored in the practical so that sustainability is truly something that can be achieved on a daily basis.

Whether it is through the drive to reduce waste, lower our carbon footprint, lower energy consumption, enhance staff well-being, or a myriad of other initiatives, MG is committed to financial stability, community good and valuing people and planet.



OUR PEOPLE

We pay keen attention to the health and wellbeing of our people, nowhere is this more evident than in our use of Synergy Health's web-based Tracksuit Inc. The platform, which encourages healthy lifestyles through education, information and reward-based programmes, is a natural extension of our approach to maintaining a mentally and physically fit workforce.

Our branches actively encourage group participation in physical based activities (including various run / walk activities throughout the year), as well as providing access to fresh fruit and vegetables. As we do for sustainability, we are determined to make our actions of real consequence for our people.

PACKAGING

Reducing, re-using and recycling is a top priority and we are constantly looking at ways to improve our packaging. We're also working on guidelines to assist our grower suppliers, and to provide packaging that is recyclable whenever packaging is necessary. It is not easy to find alternate packaging that complies with food safety regulations and which is practical and cost effective. It is a complex discussion, influenced by strong consumer views and fulsome solutions, that will no doubt take time to find.

ENERGY

We constantly examine the efficiency of our energy-use. Lighting systems are changing around New Zealand and we look for improvements to our refrigeration plants whenever we upgrade plant.

REDUCING WASTE

Over the past two years we have worked hard to improve recycling within the branch network. In real terms, less waste is now going to landfill and more into recyclable streams, such as working with our waste management partners to better provide more accurate and environmentally-friendly collections.

REFRIGERATION

We have started to move to natural gas at some sites and over time facilities will be progressively changed over to environmentally-sustainable solutions so that we can reduce our use of ozone depleting substances.



Financial Statements 2019

INCOME STATEMENT

FOR YEAR ENDED 30 JUNE 2019

| | GROUP | |
|--|----------------|-----------------|
| | 2019 \$'000 | 2018 \$'000 |
| Revenue – sale of goods | 582,187 | 525,054 |
| Cost of sales | 513,175 | 467,794 |
| Gross profit | 69,012 | 57,260 |
| Other operating income | 2,870 | 2,888 |
| Administrative expenses | 12,252 | 11,844 |
| Other expenses | 42,419 | 38,988 |
| Results from operating activities before other income and other expenses | 17,211 | 9,316 |
| Other income – gain on acquisition | - | 6,568 |
| Other income – gain on sale of property | 9,448 | - |
| Other expenses – impairment | - | 32,330 |
| Results from operating activities | 26,659 | (16,446) |
| Finance income | 290 | 83 |
| Finance expense | 2,855 | 2,973 |
| Net finance costs | 2,565 | 2,890 |
| Profit/(loss) before equity earnings and income tax | 24,094 | (19,336) |
| Share of profit of equity accounted investees | 655 | 673 |
| Profit/(loss) before income tax | 24,749 | (18,663) |
| Income tax expense | 7,583 | 839 |
| Profit/(loss) for the year | 17,166 | (19,502) |

Gross profit improvement from market share, values and cost control.

Gain on the sale of the Sydney property.

Last year's write down of goodwill.

CASHFLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|---------------|----------------|
| Net cash from operating activities | 17,681 | 15,835 |
| Net cash from / (used in) investing activities | 4,114 | (20,589) |
| Net cash (used in) / from financing activities | (15,072) | 213 |
| Net increase / (decrease) in cash and cash equivalents | 6,723 | (4,541) |
| Cash and cash equivalents at 1 July | 9,253 | 13,035 |
| Effect of exchange rate fluctuations on cash held | (478) | 759 |
| Cash and cash equivalents at 30 June | 15,498 | 9,253 |

Strong cashflows from operations and sale of warehouse resulted in debt repayment.

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 2019

| | GROUP | |
|--|----------------|----------------|
| | 2019 \$'000 | 2018 \$'000 |
| EQUITY | | |
| Share capital | 33,024 | 29,498 |
| Reserves | 44,105 | 32,171 |
| Retained earnings | 47,223 | 35,451 |
| Total equity attributable to equity holders of the Parent Company | 124,352 | 97,120 |
| Non-controlling interest | 9,595 | 10,027 |
| Total equity | 133,947 | 107,147 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 157,198 | 142,234 |
| Intangible assets | 26,281 | 26,530 |
| Investments in equity accounted investees | 8,434 | 8,006 |
| Investments other | 3,695 | 916 |
| Trade and other receivables | - | 37 |
| Deferred tax assets | 4,323 | 5,063 |
| Total non-current assets | 199,931 | 182,786 |
| CURRENT ASSETS | | |
| Inventories | 9,425 | 9,766 |
| Trade and other receivables | 54,178 | 51,823 |
| Cash and cash equivalents | 15,498 | 9,253 |
| Non-current assets held for sale | - | 6,620 |
| Total current assets | 79,101 | 77,462 |
| Total assets | 279,032 | 260,248 |
| NON-CURRENT LIABILITIES | | |
| Borrowings | 49,569 | 60,275 |
| Trade and other payables | 1,780 | 964 |
| Deferred tax liabilities | 8,665 | 8,771 |
| Total non-current liabilities | 60,014 | 70,010 |
| CURRENT LIABILITIES | | |
| Borrowings | 6,886 | 10,737 |
| Trade and other payables | 73,775 | 71,030 |
| Taxation payable | 4,410 | 1,324 |
| Total current liabilities | 85,071 | 83,091 |
| Total liabilities | 145,085 | 153,101 |
| NET ASSETS | 133,947 | 107,147 |

Increase as a result of property revaluations.

Increase due to profit after tax less distributions made.

Equity increase by \$26m.

The result of property revaluations and additions, less depreciation.

Investment in Century Water.

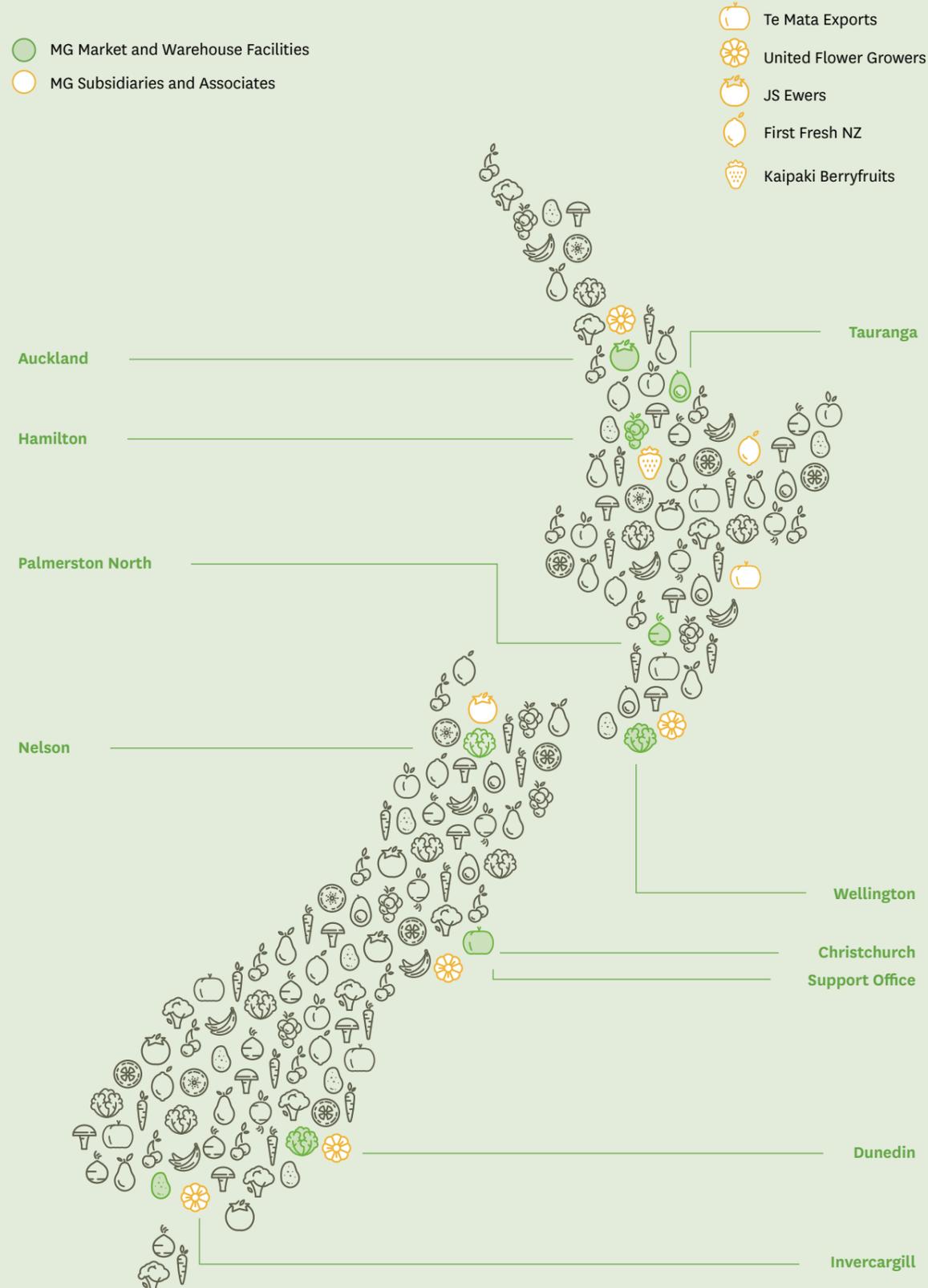
Sale of Sydney Warehouse.

Reduced debt as a result of the sale of the Sydney Warehouse and improved cashflows.

Strong cashflows enabled the repayment of the "D" shares.

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).

STRATEGICALLY POSITIONED TO SUPPORT GROWERS THROUGHOUT THE COUNTRY



BRANCH REGISTER, BANK & ADVISORS

NEW ZEALAND

New Zealand Branches

Auckland
National Banana Ripening & MG Direct (NI)
 801-803 Great South Rd
 PO Box 12 370, Penrose
 Auckland 1642
 Phone: +64 9 601 8500
 Branch Manager: Dominic Gargiulo
 National Banana Ripening: Graeme Hirst

Hamilton
 24 Kaimiro Street
 Pukete Industrial Estate
 PO Box 675, Hamilton 3240
 Phone: +64 7 849 2866
 Manager: Roger O'Sullivan

Tauranga
 86 Poturi Street, Tauriko
 Tauranga 3171
 PO Box 9426, Greerton 3142
 Phone: +64 7 262 0210
 Manager: Jared Woodcock

Palmerston North
 1 Mihaere Drive
 PO Box 9112, Terrace End
 Palmerston North 4441
 Phone: +64 6 357 8076
 Manager: William Little

Wellington
 34 Jamaica Drive
 Grenada North
 PO Box 51 044, Wellington 5249
 Phone: +64 4 232 3499
 Manager: Ben Ross

Nelson
 30 Pascoe Street
 PO Box 170, Nelson 7040
 Phone: +64 3 548 5859
 Manager: Jamie Russ

Christchurch
 68 Waterloo Road, Hornby
 Christchurch 8042
 PO Box 16 404, Christchurch 8441
 Phone: +64 3 349 2070
 Manager: Jeff Neumann

Dunedin
 Cnr Midland & Otaki Streets
 PO Box 2056, Dunedin 9044
 Phone: +64 3 455 4004
 Manager: Wayne Hume

Invercargill

162 Mersey Street
 PO Box 209, Invercargill 9840
 Phone: +64 3 218 2919
 Manager: Lindsay Francis

Registered Office, Support Office, Marketing, Imports & MG Direct (SI)
 78 Waterloo Road, Hornby
 Christchurch 8042
 PO Box 8581, Christchurch 8440
 Phone: +64 3 343 0430

New Zealand Bank & Advisors

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

Auditors — Parent Company & Group
 KPMG, Chartered Accountants
 Christchurch

INTERNATIONAL

Australia

LaManna Premier Group Australia Registered Office
 103-107 Hyde Street
 Footscray, Vic 3011, AUS
 Phone: +61 3 9687 7725
 Group CEO: Anthony Di Pietro

Australian Banana Company Pty Ltd
 101-103 Upper Daradgee Road
 Daradgee, QLD 4860, AUS
 Phone: +61 7 4063 1600

Brisbane Market
 Building C - Brisbane Markets, 385
 Sherwood Road
 PO Box 48, Rocklea, QLD 4106, AUS
 Phone: +61 7 3848 2999

Melbourne Market
 Stands 87, 89, 91-93, 95-97
 35 Produce Drive
 Epping, VIC 3076, AUS
 Phone: +61 3 8405 4500

Adelaide

C31 Adelaide Produce Markets
 Burma Road, Pooraka, SA, 5095, AUS
 Phone: +61 8 8260 4188

Fresh Choice (W.A.) Pty Ltd
 E4 Central Trading Area, Market City
 280 Bannister Road
 Canning Vale, Perth, WA 6155, AUS
 Phone: +61 8 9455 2355

Sydney Market

Stand 1-4 E Shed,
 PO Box 323, Sydney Markets
 NSW 2129, AUS
 Phone: +61 2 8754 9004/+61 2 8754 9900

USA

Market Gardeners (USA) Inc.
 Bakersfield, California, USA
 Phone: +1 661 322 4044
 Manager: Doug Trask

International Bank & Advisors

Bankers
 Rabobank Australia Branch
 (Primary facilities provider)
 Australia and New Zealand Banking Group
 Ltd, Melbourne
 (Transactional facilities - Australia)

Legal Advisors

Arnold Bloch Leibler,
 Melbourne
 K&L Gates,
 Melbourne
 Logie-Smith Lanyon,
 Melbourne

Auditors — LaManna Premier Group
 Pitcher Partners,
 Chartered Accountants
 Melbourne

**® Together.
Stronger.**