



Market Gardeners Limited
Annual Review 2018

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.

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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.

VALUE

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

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.

PARTNERSHIPS

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.

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.

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.



Chairman & CEO's Review



We entered the 2018 financial year full of anticipation that we could build on a great 2017. However, the year has presented unforeseen challenges to the business to which we have needed to adapt. The year has therefore ended with mixed results - a record result for New Zealand but a disappointing outcome for Australia. We remain confident that the strategic initiatives of recent years well positions your Co-operative for a sound and sustainable future.



Bruce Irvine
Chairman



Peter Hendry
Chief Executive Officer

The New Zealand trading operations recorded another strong performance with record turnover and profitability. Market share gains and generally good values across a broad product range, together with tight management of expenses, have assisted in achieving this result. Our associates also performed well and are in a good position for future growth and profitability gains.

The Australian market suffered from depressed pricing with many product lines undervalued because of weak demand, over production or, in some cases, both. This impacted not only our farming operations but the marketing divisions, resulting in a reduction of revenue and a significant loss for the year. The LaManna Premier Group (LPG) board and management teams recognised the ongoing effect of weak market conditions and pricing throughout the year, and while merger synergies had already assisted, further business improvements were necessary. While these improvements will take time to bed in, the Company is confident that an enhanced performance will be achieved. The specifics of this strategy are discussed in the LPG section of this review.

Given the difficult trading environment and trading loss in Australia, the board has decided to take a \$32.330 million impairment of the brand and goodwill related to the business. This is a non-cash

impairment (reduction in the value recorded for the brand and goodwill) and does not impact on our debt facilities or compliance with banking covenants. This is explained in more detail in the financial section later in this review.

The combined trading profit, before tax and impairment, and including the gain on acquisition, was \$13.667 million for the year, down from \$16.018 million for the previous year.

The vagaries of climate and other disruptions are becoming the norm for the horticulture industry. We witness first-hand the vulnerability of growers and marketers, alike, to these variables and the need to develop sustainable farming practices in the long-term interest of the industry. These industry challenges demonstrate, once again, the benefits of working together to meet the ever-discerning needs of our customers and consumers – as a co-operative we are **® Together. Stronger.** It also demonstrates the value of diversification across countries and key categories.

Today's consumer is defining our business like never before. They seek what were seasonal products on an all year-round basis and continually look for better eating experiences. Given traditional growing models, the impact of the weather and the lead times associated with new varietal development, this becomes a challenging proposition to deliver on. Our focus remains on ensuring we are assisting our growers in meeting these consumer demands by being an integrated part of their business, providing the necessary support around planning to meet demand expectations, supporting with marketing insight on buying behaviour, meeting customer expectations and the further enhancement through the use of Intellectual Property rights (IP). Successfully delivering on these key priorities creates competitive advantages that assist with the sustainability of our grower suppliers, our customer relationships and our Co-operative.

← Peter Collinge from Conifer Pete's and Rob Hollier from MG Marketing.

Our people are vital to delivering on these priorities. We continue to work on attracting the right people into our business and developing their capabilities within our cultural boundaries. It is essential that they are philosophically aligned with the grower, understand and deliver on customer expectations, and have the skills to create game-changing innovation. To this end, our capability to support this wide range of demands is a core focus of 'our people' strategies.

Information technology is also a critical component of our business success. Our current IT platform has served the business extremely well and will be phased out over the following year with the new system currently under development. This will greatly assist with further efficiency gains and improved flexibility to adopt new digital technologies.

The use of smart technology and digital responses for business are also necessary for efficiency gains, improved communication and decision making. A good example of this is MG's Grower Delivery Advice (GDA) web portal which is now well established in the business, with close to 60% of all growers using the system and over 75% of all produce currently supplied now being pre-receipted online.

We will continue to strategically review and invest in growing operations, joint ventures, partnerships and provide grower financial assistance where this strengthens the Co-operative and is in line with our Co-operative principles, to grow the overall wealth of the

Co-operative, its shareholders and growers through relevant initiatives.

Despite the setback this year, there have been significant positives. Our New Zealand operations continue to perform strongly and we are well placed for further growth. LPG is working hard on its business remodelling and the early signs of improving performance are encouraging.

The Board remains focused on strategically positioning the company 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.

We pay tribute to our prior Chairman Brian Gargiulo's service to the company later in this review - on behalf of the Board and management we thank Brian for his outstanding contribution to the success of the Co-operative.

And finally, on behalf of the Board and management team, we acknowledge and thank the support of all our stakeholders - our suppliers, customers and fellow staff - as we work together to grow our Co-operative for a stronger future.

MG has operated now for 95 years and has a proud history. We will continue to be creative, identifying new opportunities for our shareholders, grower suppliers and customers, take controlled risks and remain passionate about what we do. We look forward to working with you all on this endeavour in 2019.

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Bruce Irvine
Chairman



Peter Hendry
Chief Executive Officer

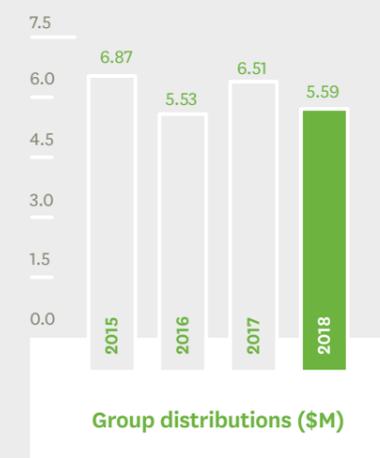
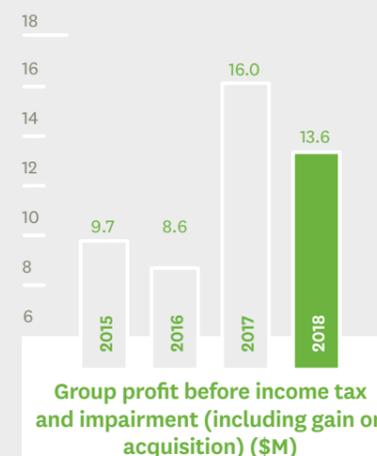
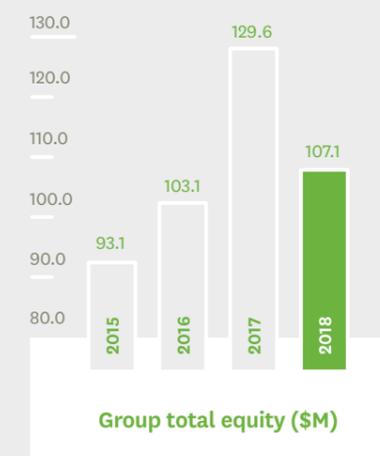
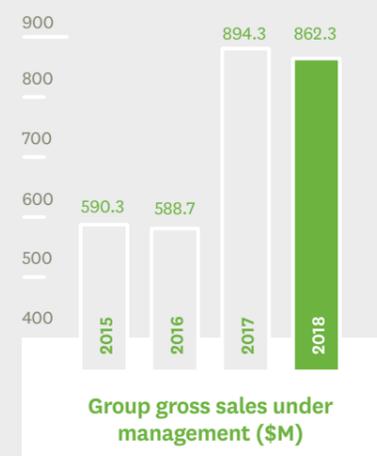
We remain confident that the strategic initiatives of recent years well positions your Co-operative for a sound and sustainable future.



Financial Highlights

Group gross sales under management	\$862.391 million
Group profit before income tax and impairment (including gain on acquisition)	\$13.667 million
Impairment of intangible asset (goodwill and brand)	(\$32.330 million)
Group (loss) before income tax	(\$18.663 million)
Group (loss) for the year (after income tax and impairment)	(\$19.502 million)
Group total equity	\$107.147 million
Group total assets	\$262.749 million

Shareholder distributions	2018	2017
	\$'000	\$'000
- Special Bonus Issue (November 2018)		
• 1 for 20 on "A" shares (2017: 1 for 15)	976	1,172
• 1 for 5 on "B" shares (2017: 1 for 3)	1,666	2,518
• 1 for 2 on "C" shares (2017: 1 for 3)	442	331
• 1 for 20 on "D" shares (2017: 1 for 15)	155	190
- Supplier shareholder rebate (issued as 2018 "C" shares) (2017: issued as 2017 "C" shares)	250	250
- Bonus issue on supplier shareholder rebate of 3 for 1 (2017: 3 for 1)	750	750
- Final gross dividend on "A" shares : 6 cents per share (2017: 6 cents per share)	1,171	1,125
- November 2018 - final gross dividend on "D" shares: 6 cents per share (November 2017: 6 cents per "D" share)	186	182
Total shareholder distributions in relation to the year ended 30 June	5,596	6,518





↑ George Gibb from Greendale Mushrooms and Michael Breitmeyer from MG Marketing.

FINANCIAL OVERVIEW & DISTRIBUTIONS

The Group's financial highlights are reported on page 6 and 7 of this review.

For the year to 30 June 2018 Group Gross Sales under Management amounted to \$862 million (\$894 million in 2017).

For the same period net profit before tax and impairment, including the gain on acquisition amounted to \$13.667 million compared to \$16.018 million in 2017. This result came from the strength of both the NZ market and the business, offset by the challenges that were faced in the Australian market.

As is noted above, this year there has been a partial impairment of the Group's intangible assets, amounting to \$32.330 million. Each year MG is required to undertake an assessment of the carrying value of its various investments and intangible assets against the assessed ongoing value. If the carrying value is higher than the ongoing value, then there is an impairment. The investment, or intangible asset, is written down in value and this represents an expense in the profit and loss. It is important to note that this is a non-cash write down/reduction

in value. Details around the assessment process and the variables used in this calculation are more fully set out in note 9 of the financial statements (refer to the full Annual Report).

MG invested in LaManna Bananas Pty Ltd (LMB) in July 2003 with an initial 25% shareholding which grew to 50% in 2004 and eventually became 100% in 2005. Over the years, the percentage shareholding has varied as a result of share issues, acquisitions and mergers and currently stands at 69.3%. The last significant event was the merger with Premier Fruits Group in 2016 – this saw LMB rebrand as LaManna Premier Group (LPG).

The Group net (loss) after tax, the gain on acquisition and the impairment expense amounted to (\$19.502) million compared to a profit of \$11.609 million in 2017.

At a Group level, MG remains strong with equity standing at \$107.147 million (2017 \$129,678) and total assets of \$262.749 million (2017 \$277.127 million). The reduction between years is primarily as a result of the impairment expense as discussed above.

As announced at the November 2017 Annual Meeting of Shareholders, MG exercised the option to purchase the JS Ewers Ltd business, effective 1 December 2017. The 7 months results (to 30 June) for this business are reflected in the Group results for the year.

In addition to this Annual Review, MG presents an Annual Report inclusive of full financial statements. If you would like a copy of the Annual Report visit the website, www.mgmarketing.co.nz, or contact the Company Secretary, Duncan Pryor, on (03) 343 1794 or email dpryor@mgmarketing.co.nz

Group Profitability year ended 30 June 2018	Net profit/(loss) after tax \$'000
MG Group excluding Australia	10,788
Gain on acquisition	6,568
Australia	(4,528)
Impairment expense	(32,330)
(Loss) for the year	(19,502)

→ Ben Scott from Scottfresh and Andrew Body from MG Marketing.

DISTRIBUTIONS

Given the strength of the Company and the strong results that have come from the NZ operations, the MG Board of Directors has resolved to return to its shareholders significant distributions totalling \$5.596 million (2017: \$6.518 million) by way of rebate shares, bonus issues and dividends. This is the fourth consecutive year that shareholders have received a special bonus issue.

On 7 September 2018 the Board declared the following distributions in relation to the year ended 30 June 2018:

- Special bonus issue – a fully imputed taxable special bonus issue of:
 - One new “A” share for every twenty existing “A” shares; and
 - One new “B” share for every five existing “B” shares; and
 - One new “C” share for every two existing “C” shares; and
 - One new “D” share for every twenty existing “D” 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 2018.
- Bonus issue – a three for one fully imputed taxable bonus issue on the “C” shares issued out of the above rebate. This amounts to \$750,000 worth of “C” shares being issued (Shareholders

that are Current Producers receive three 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 and six cents on every “D” 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 at 30 June 2018 who continue to hold, at the date of the 2018 Annual Meeting, the shares held at 30 June 2018.

The above special bonus issue, rebate, bonus issue and dividends represent \$5.596 million being distributed back to MG's loyal and supportive shareholders. Not only is this a significant distribution of wealth to the shareholders it represents the 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 shares (“A” and “D” 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 on email dpryor@mgmarketing.co.nz or phone (03) 343 1794.





↑ MG Board of Directors from left to right:

Peter Hendry (Chief Executive Officer)*; Bruce Irvine; Alan Thompson; Kerry Wells (International Business Manager)*; Alan Franklin; Trevor Burt; Mark O'Connor; Lynn Crozier; Mike Russell; Trudi Webb (Director Intern); Andrew Fenton; Duncan Pryor (Company Secretary & Chief Financial Officer)*.
*Executive Management Attendees.

DIRECTORATE AND MANAGEMENT

Change is inevitable and with it comes new faces and new thinking to the business. The Board is no exception to this. As featured later in this review, Brian Gargiulo handed over the Chairmanship to Bruce Irvine after last year's election. Mark O'Connor re-joined the Board after last year's election and Trevor Burt joined the Board as a special director earlier in 2017. In addition, following the introduction in 2015 of the Director Internship Programme, Trudi Webb was appointed as the second Director Intern.

As a Board, your directors maintain their focus on strategic issues affecting our industry and your Co-operative. The Board continued with its review and updates to the Charter, code of conduct and policies during the year. A key part

of this is regularly reviewing the Board's collective skill set and evaluating the best mix of skills required to continue to take the company forward. This resulted in the Board Capability Framework being developed and subsequently published.

In accordance with the company's constitution, Alan Franklin and Lynn Crozier retire by rotation and, being eligible, have put themselves forward for re-election. Two other nominees, Diana Baird and Joanna Lim, have been nominated and put themselves forward for election. As there are four candidates for two positions on the Board, an election is being held by postal ballot. Voting papers for the postal ballot will be sent to shareholders together with the Notice of Meeting on or around 19 October 2018.

Bruce R Irvine

Chairman, Appointed Special Director

Bruce joined the MG Marketing Board in 1994. He comes with 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 a director of Heartland Bank, PGG Wrightson and a number of other public and private companies. Bruce is Chairman of the Company, Chair of the LaManna Premier Group's Audit Committee, a Director of LaManna Premier Group Pty Ltd and member of MG's Remuneration & Nomination Committee.

Chartered Fellow of the IOD* and Accredited Fellow of the CAANZ**.

Andrew G 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. Andrew is Deputy Chairman, Chairman of the MG Remuneration & Nomination Committee and 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*.

Alan G Franklin

Elected Director

Alan was appointed to the MG Marketing Board in 2010. Alan's family has been growing for five generations in Auckland since 1906.

Member of the IOD*.

Alan D Thompson

Elected Director

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 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 25% shareholding in Te Mata Exports 2012 Ltd and Alan is both a Director and finance director of that business. Alan is a member of MG's Audit Committee.

Trevor J 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. Trevor holds Chair roles of Ngai Tahu Holdings Corporation Ltd, Lyttelton Port of Christchurch Ltd, and New Zealand Lamb Company Ltd. He is Deputy Chair of PGG Wrightson Ltd and a Director of Silver Fern Farms Ltd, Landpower NZ Ltd, as well as a former member of the Executive Board of the Linde Group based in Munich. Trevor is Chairman of the MG Audit Committee.

Chartered fellow of the IOD*.

Lynn T 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 grower of potatoes, onions and carrots in Central Canterbury. Lynn is a member of the MG Audit Committee.

Member of the IOD*.

Mike J 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. Mike is a member of the MG Remuneration & Nomination Committee.

Mark R O'Connor

Elected Director

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

Member of the IOD*.

* Institute of Directors in New Zealand.

** Chartered Accountants Australia and New Zealand.

THE END OF ONE CHAPTER SIGNALS THE BEGINNING OF ANOTHER – A TRIBUTE TO BRIAN GARGIULO (MBE)

Brian Gargiulo is well acknowledged for his standing within the horticultural industry, and for good reason. It is only but appropriate to reflect on the role he has played in the industry during his 40-plus years of service to the industry and, most particularly, the part he has played in securing the profitability and sustainability of New Zealand's largest fresh produce co-operative.

Awarded an MBE for services to horticulture and New Zealand, Brian has been relentless in his commitment to developing the industry as a commercial proposition. He has championed innovation, lobbied for change when change was clearly long overdue and represented growers when they felt ill-equipped to represent themselves.

Brian was a key player in the establishment of Horticulture New Zealand and held the role of Vice-president for nine years (2005-2014); he served as President on the Board of New Zealand Vegetable and Potato Growers' Federation (1998 - 2015) and on the Board of MG for 36 years (1981-2017) – 25 as Chairman.

Brian's achievements within the industry have been well documented but his contribution to the growth and success of the grower co-operative, MG, is less well published.

Established in 1923 by a small band of resolute and like-minded growers, MG today stands as a leading supplier of fresh produce to New Zealand, Australia and the Asia-Pacific region. The success of the Co-operative is testimony to the vision, the leadership and the tenacity of a few and the commitment of many. Brian Gargiulo is one of the few – a leader, a visionary and an individual who was keenly focused on building resilience in the business, first and foremost, from which opportunities could be successfully leveraged. It was

during Brian's tenure as Chairman that the Co-operative flourished and became a substantial organisation.

The son of a grower and a grower himself, Brian's ability to identify an opportunity and then find a pathway to commercialise that opportunity has been to the benefit of many. There are many milestones during his tenure on the MG Board that secured real and sustainable growth for the company and shareholder wealth, not the least of which are the Dole partnership that changed the game for the banana category in New Zealand, the expansion of the MG branch network, establishment of MG Direct to provide growers with a direct distribution channel to key customers, the acquisition of the Australian LaManna Group of companies and the merger of LaManna Group with the Premier Fruits Group to form the LaManna Premier Group. Brian's continuation as Chair of the LaManna Premier Board is testimony to the regard in which he is also held across the Tasman.

Brian's years around the MG boardroom table will be remembered not only for his business acumen, but for the value he placed on people and the things that they valued. The impact that his inclusiveness and collaborative approach has had on the culture of the company is evident, both in terms of the team culture within the Group and the strength of relationships that have been built with growers and customers alike.

While Brian has handed over the reins to Bruce Irvine to lead MG into the next decade, he will continue to focus on resolving the challenges facing the LaManna Premier Group and leading a strategic programme of growth in the Australian market for the long-term benefit of the Co-operative.



MG PEOPLE

In order to stay ahead of the field, and to continuously meet the changing needs of our diverse customer base, we must focus on our people - ensuring we have the best people working with us and that we continually build their capabilities. In doing so, we strengthen you, our business and the Co-operative.

Our aim is to provide a work environment where our people are safe and have the opportunity to grow and develop. We work in a very competitive and constantly-changing environment. We understand that for MG to meet these challenges, we continually need to attract outstanding people who are also culturally aligned with our business.

The MG Graduate Programme and Sales Academy have been tremendously successful in this regard. Both initiatives are being further developed, not only to support development opportunities for our people, but to invest in the long-term capability of our industry.

Whilst new talent is essential to all organisations MG has also developed a culture of long-serving staff. This stability and wealth of knowledge is

highlighted repeatedly as a key factor in our commercial success as a business. As we look to the future and recognise the challenges of change and succession, we are committed to developing tomorrow's leaders from within the Co-operative. To this end, leadership forms a key part of our people programmes.

The well-being, health and safety of all our people comes before anything. It is, of course, a never-ending journey but the 'culture of care' framework that has been established within the business is the essential foundation of our [®] Together. Safer. programme. The Co-operative's emphasis on the importance of keeping safe is also populated throughout the entire supply chain, with ongoing engagement with our suppliers and our growers through SupplyLine and the grower 'shed' meetings.

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 proudly acknowledge this contribution by featuring their names in this publication.

↑ MG Executive Management Team

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

DEEPIKA ADHIKARI REJAIL ADILOVSKI OPE AFUIE DHRUV AGGARWAL VIHANG AHLAWAT JASON ALABAKIS MARIA ALAMEDA ALIPA ALAPATI CATHY ALESSANDRINI JENNIFER ALEXANDER JOHNNY ALI ABID ALI VERDENE ALI HUSSEIN ALNABULSI PIFALATI ALOFAKI DOMINIC ALOI VINCENT ALOI ANNUNZIATO ANASTASIO ANASTASIA ANTONIOU SHAJI ANTONY JOSIAH ARCHER VISHANT ARORA JAIPALA ARPORN ADAM ATTANA CHARLIE ATTANA USO AVIIVII PUA AYYAR KAUSHIK BABU NATALIA BAHATI KERRY BAIRD MANDY BAKER LUKE BAKER-GARTERS MICHAEL BALDWIN MU BAR ADEEP BARALI BENJAMIN BARBARA BRUNO BARBARA JONATHON BARBARA JOE BARBARA SAM BARBARA VINCE BARBARA RACHEL BARKER TROY BARR PETER BARRETT DAVID BARRIE JACK BARRIE BLAIR BARWICK JAMES BATEMAN JEGATHEESWARAY BATHMANATHAN LISA BEATON ANTHONY BEKKER HARRY BELL CAROLYN BELOE CAROLINE BENDALL COLIN BENNETT FRANCESCO BENVENUTO LAURENCE BENVENUTO MARK BENVENUTO JACK BESWICK AJESH BHAI BEENA BHANA DHRUV BHATIA JASDEEP BHATIA PETER BHOLAN RAJ BHOLAN DAVID BINKS STACEY BLANCHARD ANDREW BODY ROBERT BOLGE CAROL BONHAM KAINE BOOTE CHRIS BORSATO JOSEPHINE BORSATO KIM BOUSTRIDGE SHAUN BOWIE TONY BOYD EAMMON BOYLE BREV BRAK CHRIS BRAMMALL SAMUEL BRAY MICHAEL BREITMEYER ANNA BRENMUHL NEIL BRIDGENS GRANT BROUGHTON TONY BROWN FIONA BROWNE BRIAN BUCHANAN HAYDEN BUCKLAND CATHY BUI RAHUL BUKSH LEDEGONDA BUKURU DYLAN BULZOMI DANIELA BUNN LUKE BURGESS TREVOR BURT PETER BUTCHER DAMIEN BYNG GRANT CADDIGAN DOMINGO CAICEDO VALENCIA ANGUS CALDER FRASER CALDER MARK CALLEGARI ROSS CALTABIANO SHAUN CALVI MIKE CAMPBELL KIERAN CAMPBELL CHRISTINE CAMPBELL WAYNE CAMPBELL ALLAN CANLAS JEANETTE CANNISTRA JOHN CARESWELL ALEX CARTWRIGHT LIAM CARTWRIGHT GORDON CARUANA CARLA CASIMIRO PAUL CASIMIRO VICKY CASSISI GERARDO CASTRO VERGARA ALDO CATALANO ALBERT CHALMERS ROSHIL CHAND SHAUN CHAND PAO-KUEI CHANG CALEB CHAPMAN OWEN CHARLESTON ANTHONY CHARLTON JASON CHARTRES CHANDRIKABEN CHAUDHARI KIMBERLY CHAVEZ BOPHEA CHEA HUAPING CHEN YAQING CHEN YUMENG CHEN RAVI CHINTALA VICHEKA CHIV HELENA CHUNG MARIE CICERO SAMUEL COFFEY TED COLEMAN NICOLA COLLIER JACK COLLISS JOSHUA CONDLIFFE AARON CONDON GEORGE CONDON GIUSEPPE CORRONE ROCCO CORRONE GAVIN COSGRUFF MARK COSSAR LEON COX JOSHUA CRAIK JAMIE CRAWFORD GIUSEPPE CREA JAMES CRED GRANT CREIGHTON ANDREW CROSS LYNN CROZIER DESDA CULLEARN JACQUELINE CUMMING BRIAN DALE MELISSA DAMPIER PETER DANIELS DAHVV DAO MARK DAUNT CRAIG DAVENPORT COLIN DAVIS NERISSA DAVIS CAMERON DAVISON SHARNEI DAWSON MICHELLE DE BRINCAT MICHAEL DEBONO CHENEL DEHAR MARK DENTON LORETA DERRAMAS JOSTI DEVI SAMANTHA DEVINE JOE DEVLIN ANTHONY DI PIETRO FRANK DI PIETRO JOE DI PIETRO JOSE DIAZ BENITEZ KILIMO DIDIER MAZAMBI PETER DILKES JONATHAN DILLON ADRIAN DIONISIO ASHLEY DJU GOLDIE DODDS LEON DODDS DAVID DOHNT RAMON DONES CHRISTOPHER DONEY PHILLIP DUNN DERRICK DYSON GEORGE EAGLES DAVID EDMONDS REBECCA EDWARDS JACOB EDWARDS SHARLENE EDWARDS MIRUNALINI ELANGO KENT ELFORD IAKORO ELISARA EPATI ELISARA SOLI ALLAN ELLIOTT NAW ELLIS SHIRLEY ELVY ALAN EVANS PETE EVANS JOANNE EVERINGHAM JIM EVGENIADIS MALCOLM EXTON JOVIN FABIC MATTHEW FAIRCLOUGH AHMAD FAIZAL ABDUL HADI ELISARA FALO THA IANG FAMCUN MADONNA FARAG WAYNE FARROW LAURIE FEMIA ANDREW FENTON ERIC FIELD VICENTE FIGUEROA GASCA BLAIR FISHER DOUG FISHER ASHLEY FLEGLER BRAD FLEMING WAYNE FLETCHER GWENDA FOLEY MURRAY FORBES TEMA THOMAS FORTES INGE FOUNTAINE ANGELA FRANCIS LINDSAY FRANCIS GEORGE FRANCIS ROBERTO FRANCO ALAN FRANKLIN FRANK FRAPPA DAVID FREEMAN AARON FRIEND CAMERON FRIEND AUGUSTINO GAE'E BAILEY GALL DEAN GALL TRENT GALL FRANCESCO GALLICCHIO DAVID GANNON ROMEO GARCIA FLOYD GARDINER JESSICA GARDNER DOMINIC GARGUILO BRIAN GARGUILO JAMES GARGUILO PIERRE GARGUILO MARCUS GARGUILO ABE GARZA COLIN GASS JHANAK GAUTAM ANDREW HOARE ROGER GEORGIEFF WARRICK GIBSON IVAN GILBERT HARPREET GILL CLAUDIA GIORNO JOHN GIUFFRE MARC GIUFFRE BEN GLANVILLE MARCUS GOBALD SAMEH GOBRIALL PAUL GODDARD ALEX GODFREY MATTHEW GORDON SAMANTHA GORDON BRENT GRAHAM DAVID GRASSO JANET GRASSO LIZ GREENWOOD SUZANNA GREGORY MERCEDITA GREISING MARPA GRIEKSPoor DANUTA GROBELSKI ADAM GROVE MARTIN GRUNDLINGH PRANESH GUPTA ANDHYALA ABBAS HAIDER CHRIS HAJOS DEAN HAMILL KATE HANDS NALEEN HARAKH SIMON HARDIE JAMIE HARDING MARK HARDING DANYEN HARROD LIAM HART BRUCE HARVEY SCOTT HARVEY MAARA HASAN CONNOR HAUSMANN ADRIAN HEINRICH ALEX HENDRY PETER HENDRY VANNAK HENG LUKE HENLEY MARIA HENRY ADAM HEREMAIA CHRIS HIBBERT SIMON HICKEY WING HIEW IAIN HIGGINS MOHAMMAD HIJAZI TRUCE-ANNE HILLARY CORAZON HINCHCLIFFE TJ HIRINI ALEX HIRSLER GRAEME HIRST DAWT HLAWNCEU CEU HLAWNCHING CUNG HLIHAL ANDREW HOARE MARK HOBBS WENDY HODSON ROB HOLLIER CARA HONEYSETT RAFAEL HORMIGO SHANE HOU MATT HOUSE ROSS HOWARD JYE HOWSON MARTIC HRABANOV YUAN YUAN HU COLIN HUDGSON ANDREW HUESSER BEN HUME WAYNE HUME NIDA HUOT MAEANA HURINUI PIO HURINUI JACOB HURRING PETER HURRING MOHAMMAD HUSSAINI BRADLEY HYDE AMAL IBRAHIM GRANT INWOOD SALA IOANE MICHAEL IOPPOLO BRUCE IRVINE KAORI ISHIKAWA JEREMY JAMES SALOTE JEBREEL CHARLOTTE JEFFORD BRIAN JEONG MATTHEW JEWELL JAI JIANG NARENDRA JINA MAXWELL JOHANSSON CARYL JOHNSON PAUL JOHNSON ABBY JONES MANICKATHAN JOSEPH KAMAL KAAKOUR MANASE KAILEA YOGENTHIRAM KANDIAH DE KANG DING MADI KANJULA CARMEN KANNIS JONATHAN KARANTGIS UTHAYASEELAN KARIKOVINTHARAJA PARDEEP KATARIA LOPASITA KATOA RAMINDER KAUR GURJEET KAUR HARJIT KAUR JASBIR KAUR JASVINDER KAUR RAVINDER KAUR SANDEEP KAUR SANDEEP KAUR DHANOA SIMARJIT KAUR VIRDI SIOSAIA KAVA RORTHA KEO JANETTE KERR SURENDRA KHADKA IRSHAD KHAN RITHIPOLMOLY KHUN THI KIEU DIEM CHAU DJ KILDEN HYEMIN KIM PAUL KING LIGAYA KIRK JENNIFER KIRKWOOD TINO KISONA MARK KLAUSS CHARLIE KUMAR MANDEEP KUMAR GAGANDEEP KUMAR GAURAV KUMAR SUDHIR KUMAR VINAY KUMAR ROSS LAIDLAW SIULAATI LAKALAKA SAMUELA LALONI HIEU THI NGOC LAM ANGILO LAMA SIFA LAMA GEOFF LAMONT DAVID LANDY PETER LANGE MAKAHOKOVALU LANGI TUUNGAFASI LATU LAWRENCE LAVERY HUMPHREY LAWRENCE CHAU LE FRIEDA LEE JUHEE LEE HAZEL LEES ERONI LEILUA RICCARDO LE'MONT CHRISTOPHER LEONE CHI LEUNG GAVIN LEVY TRUDY LEWIS JIA LI JESSIE LI HONG LI MIKE LIA BINGQIN LIN HUAYU LIN QIN LIN YUNPING LIN KAREN LINDSAY CAROL LISSINGTON DANIEL LITTLE GRACE LITTLE WILLIAM LITTLE LEI LIU XIUGE LIU ZHONGYA LIU MARCUS LOGIUDICE MARK LOGIUDICE ANA LOLI PETER LOPES MUYHEANG LY BRUCE LYON TALIA MAKA STUART MACDONALD BRETT MACEY FRANK MADAFFERI ROSS MADAFFERI BAL MAGAR BOM MAGAR INDRA MAGAR

MANGAL MAGAR RADHIKA MAGAR YAM MAGAR BJ MAGELE TK MAH BRADLEY MAHAR BRENT MAHAR SIMONE MAHAR AJAY MAJHI SHAQUILLE MAKIHA JAMES MALONEY JOE MANARITI ROCCO MANARITI DHAN MANGAR ARULKUMAR MANI FUSIPALA MANOA DAYAL MANU RUZA MAROS SAM MARSON IAN MARTIN ROBERT MARTIN FRANK MARZANO PATRICK MARZANO HAMISH MASON SCOTT MASON FALCO MASTROCOLA LUKE MASTROCOLA BERNARD MATAELE ELISE MATHEWS-HERRMANN TOLUWANIMI MATTHEWS SUZANNE MATTINGLY TAJELI MAUGA TIMOTHY MAWSON DANIEL MAZENGIA ALLAN MAZZOLA MURRAY MCBRIDE ALEX MCCALLUM CHARLES MCCASKILL FREDERICK MCDONALD RYAN MCDUGALL STORM MCDOWELL YVONNE MCILWAIN LYNN MCKAY MARGARET MCKENZIE ANDREW MCKENZIE MITCH MCKEOWEN DEREK MCKINNEL PHILIP MCLEAN REBECCA MCNAMARA JUSTIN MCVEIGH ADAM MEEHAN GREGORY MEEHAN GREGORY MEIBUSCH LIVIO MENEGAZZO REECE MERRETT DALE METCALF MATTHEW METCALF MARK MIDDLETON SEMISI MIKA SALVATORE MILANESE JACKIE MILLAR WANDA MILLS DAVID MILNE GEORGE MILTIADOU JO MINTON-CONNELL LAR MIT GIOVANI MOLINARI PRADIP MONGAR PURNA MONGAR SHANE MOON DANIEL MOOR MICHAEL MOORE RUFINO MORALES JORDYN MORGAN-DENS'E STEVEN MORICE SAMANTHA MOULD SAY MOY KHEE ROB MULHOLLAND KEVIN MUNROE SRINIVAS MUPPAVARAM ALLAN MURRAY GEORGE MURRAY VINCE MUSICO SOJAN MUTHUNNY JUDITH MWALIAHA THI MY TO VUU CON MYDARAS FLORA MYDARAS CON MYLONOPOULOS VICKY NAND MAHES NARAN JOE NATI FETUIAKI NAU ALLISON NELSON DANIEL NEUMANN JEFF NEUMANN WALTER NGATOKO PATIENCE NGUGI SY NGUON NARY NGUON LIEM NGUYEN PHUONG NGUYEN SANH NGUYEN TRAN NGUYEN TWEE NGUYEN INDR A NIRAULA JASON NOBLE TIMOTHY NORTH PETER NORTHERN STEVEN OAKES SAM O'CONNELL MARK O'CONNOR TAYLOR O'DONNELL URSULA O'DONOHUE WAYNE O'HALLORAN GRAEME OLDHAM BRENDAN O'NEILL CONNOR O'NEILL SEAN O'NEILL ANTHONY ORD CHRISTOPHER O'ROURKE AMERIGO ORTADO ROGER O'SULLIVAN RICHARD OTT KIM OUN SOUNG NOEL OWEN FRANZ PABLO SHAJU PADAYATTY HORMMIES ALEX PAICE SENITU PAKOME ATINDER PAL SINGH PAUL PALAZZOLO SAROJ PANDEY KIRAN PANT DIMITRIOS PAPAGIANNIS HANNA PARK JAMES PARRY JUSTIN PARSONS MONIKA PATEL SUNIL PATEL ALPABEN PATEL DIXIT PATEL NGA PATIA PRADEEP PAUDEL MEFIPOSETA PEI CRAIG PERRY KEITH PETERS DARRYL PETERSON GIUSEPPE PETRORO MICHAEL PETRORO LAR PHAN THUY PHAN HOON PHAT SUZANNE PHIBBS JORDON PHILLIPS FRANK PICCOLO GIOVANNI PILATI LAURA PIO ROBERT PITOUTIA SIATHAN PLIANSATIA MARK PLYMIN ROCHELLE POGSON PRABHAKARAN PONNUVEL TIM POORTER ADELLE PORTER BLANCA PORTILLO ACOSTA SKYE POWELL-JONES ANUP PRAKASH BHIM PRASAD DHUNGANA DEREK PREGL JERRY PRENDERGAST DAVID PRICE LIAN PRICE STEPHEN PRIOR SAMUEL PROUTING DUNCAN PRYOR GREIG PULLAR JAMIE PULLEINE KARTIK PURI TULA PUWAR MAGAR GHANA PYAKUREL EILEEN QUIMQUE LUKE RADAN KAREN RADWAY ASHOK RAI BUDHA RAI DUNCAN RAINES AMIT RAM TONY RANALLI RUSSELL RANGI RANGI ABDUL RASHID JOSHUA RATIMA GIOVANNI RATIMA-MITA JITHENDRA REDDY SHOW REDDY YERUVA JADE REEVES MIKE REGAN BEH REH KO REH NEH REH POE REH POE REH PREH REH SHARON REID BRETT REID HOWARD REILLY IAN REISIMA MARGARETA RELIA COREY RHEA JOHN RHEA GREGORY RICH MICAH RICHARDS WENDY RICHARDS SHANE RICKIT CATHY RIDDEN NJIGNYA RITA JASON ROBERTS LANCE ROBERTSON JOHN RODERICK LIGIA RODRIGUES BRADLEY ROSENDAHL BEN ROSS MARTHA RUDKEN FRANK RUGGIERO NI RUNG NATASHA RUS JAMIE RUSS MICHAEL RUSSELL MIKE RUSSELL MATHEW RYAN NICHOLAS RYAN THI SA LUONG MARIAM SAFAR DANIEL SALAU ASRUTHA SALIBINDLA JIAH SALLEY ADELINE SALLEY-GLOBIO GLENN SALT MARY SAMPIERI KULWINDER SANDHU LAL SANGI IVANNA SANTARELLI DAVID SAVILLE REON SAYER ROCCO SCARFO KYLE SCHINS MICHAEL SCHRAPEL EVELYN SCHWEIGHOFER PAOLO SCIANCALEPORE SHANE SCOTT DIANE SCOTT AUKILANI SEGAEUA SAMSOTHEA SEK SIDDHARTH SHARMA ANISHA SHARMA LIN SHATE HO BRUCE SHEED REBECCA SHEED CURTLY SHRIMPTON KAMALKANT SHUKLA INOKE SIALE GAJAY SINGH HARDEEP SINGH PRANEEL SINGH AMANDEEP SINGH AMRITPAL SINGH ARSHDEEP SINGH DILDAR SINGH GURNOOR SINGH GURTEJ SINGH GARY SINGH HARJOT SINGH SIMI SINGH HARVINDER SINGH HARRY SINGH JAGDEEP SINGH JAGPREET SINGH JASPAL SINGH KAWALJEET SINGH KULDEEP SINGH PARMJIT SINGH RACHHPAL SINGH SATNAM SINGH TAJINDER SINGH ANDREW SINNOTT INDIANA SINNOTT JOHN SIOZIOS GAJENDRAN SITHAMPARANATHAN THOMAS SIU SUGANYA SIVASATHTHY TIMEA SIVERTSEN STEVEN SKRZNY ANTON SKVORTCOV NATHAN SMART GLENN SMITH GLEN SMITH MARK SMITH DAVINDER SOHI TREVOR SOLOMONA HEUNG SOO PARK GEMMA SORENSEN ANUSHA SOTHIRATNAM ANTHONY SPANO DIMIETRA SPANO DAVID SPEDDING MELISSA SPENCER RHETT SPENCER STEPHEN SPENCER EDWIN SPITERI BRENDAN SPITTLER LACHLAN SPRINGFORD BEN SQUADRITO KANYAKORN SRICHANDEE KELLIE STAM PETER STAM WILLIAM STAM MARC STANTON NUNZIO STARVAGGI BAILEY STEVENS MIKE STEVENS ANTHONY STONE OWEN STOTTS SIMONE STRATHAIRN GRANT STUMBLES NENGAI SUJAINI KENNY SUMOOK RODERICK SWEENEY WAYNE SWIFT DANIELA TAGLIAMONTE DAR RIA TALAWNG CEM TALAWNG AJITH TAMANG LASANG TAMANG BONNIE TAMATEA SOKLY TANG SUN TANG PIERRE TANNOURI NICO TANUVASA KELEKOLIO TAPUELUJELU ANGELO TARANTO MARIO TARANTO NATHAN TARANTO PHUONG TAY HUYNH CAMERON TAYLOR EVAN TE HIKO KAIREWA TEPANIA GREG TESESE HENG KIM THACH KIEN NGOC THACH SAROS THACH SOVANN THACH THANH NI THACH NU THANH DIEP DHIENDRA THAPA SAMESH THAPA DEP DANH THI UT KIM THI THI THI HAO DINGH ELANGO THYAGAARAJAN EMMA THOMAS BEN THOMAS ALAN THOMPSON LAR THU MICHAEL TIERNEY SUNG TLUANG NEH ALFRED TOAIOLO BERNARD TOAIOLO MATTHAN TOAIOLO ROMERO TOAIOLO SHAOLIN TOAIOLO MARK TOBECK ROEL TOLEDO SARINA TOMRUK PENISIMANI TONGA PETERU TOPETO JAMES TORDOFF CYRIL TORRANCE KILIMO TOUSSAINT MUKAMBA MU TOY THI HUE TRAM THI XUAN DAO TRAN VE TRAN THI TRANG DOUG TRASK JEYE TRIMBOLI JOE TRIMBOLI NATASHA TROVATO ALAN TSAI JERMAINE TUHI TOLOVAE TUILAEP A UINISE TUITAHI VINCENT TURCO CARL TURNER TAMANGO UARUTA LIAM UNDERWOOD MAI UNG UK LIAN VAN ANDY VAN HRAM PENG VAN PENG ANDREW VASSALLO IRINA VASSILIEVA NAU VAVE KONDAL VEERANNAGARI CON VELONIAS VIWARTH VORNG ELIZABETH WADDINGHAM JOHN WADDINGTON SHANE WADSWORTH SHERYL WAGNER ALAN WAKE BRETT WALKER PETER WALSH XIAN WANG MURRAY WARD WAYNE WATKINS ROSS WATSON JENNIFER WATT BAHATI WATUTA TRUDI WEBB STEVE WEBER WAYNE WEBLEY KERRY WELLS WENQING WENG KELLY WETERE LA WI KEN WILLEY WHITNEY WILSON DIANA WILSON ANDREW WILTON MATTHEW WILTON CHIN WING LAM KAHURANGI WINIKERI WING WONG JARED WOODCOCK ETHAN WOODMASS KELVIN WOODMASS ROSANNE WORSFOLD I-JUI WU XIAO YAN LIN CHAOHUA YANG JALY YEN JONGHO YEO CHENGMING YI LINWAN YI QING YUANG HUANG JONATHON YOUNG JIAN YU LIN ANTONIO ZANNINO CA TIN TIAL ZATHANG FENGYING ZHENG SHAOMEI ZHENG ANDRE ZITTERSTEIN JOSEPH ZOFREA



→ Pierre Gargiulo from JS Ewers



NEW ZEALAND OPERATIONS

The New Zealand operations maintained growth and had a record year, both in terms of gross sales under management and profit before tax.

This result is again the accumulation of good operating performances across all divisions, improved volumes sold and higher values across many fruit and vegetable lines for much of the year.

The success of different operating models, such as MG Direct and the Grower Delivery Advice (GDA) portal, continue to gain momentum and bring efficiency gains for all.

MG has progressively invested in its branch network infrastructure throughout the country, with all facilities being temperature controlled for the optimum storage of product. Upgrading continues as needed to cope with growth, as was the case with our Palmerston North branch which was upgraded with new chiller facilities during the year.

Our investment in human resource is another constant for the business. Our capability to provide consistent and value-added support for our suppliers and customers is contingent on our ability to deliver on our human resource strategies. Additionally, as the business grows, and to effectively manage succession planning in all areas

of the business, we are committed to developing fresh talent.

MG continues to look for new ways of adding value for the benefit of the grower shareholders. The partnership with RuralCo, a co-operative that provides MG members with the ability to access savings on farm supplies, fuel, power and fertilizer, has now been running for over a year. If you have not had the opportunity to review the benefits of this association, please contact your MG procurement representative for further information.

In December 2017 MG purchased the JS Ewers Ltd Nelson growing operations. Prior to this, MG had been working collaboratively with the JS Ewers business through various contractual arrangements and exercised the right for the acquisition midway through the year. This substantial production unit continues to deliver against MG's core purpose of generating shareholder wealth and the strategic pillars that support this purpose. 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 also made an investment in Gisborne-based First Fresh NZ Ltd. First Fresh is a leading citrus supplier, both to domestic and export markets. Citrus is complimented by persimmons, kiwifruit and other sub-tropical lines. The investment will strengthen MG's citrus supply base and provide further growth opportunities for our business. This investment was a natural extension of what had been a very successful working relationship over many years.

Our shareholding in both New Zealand Fruit Tree Company Ltd and Zee Sweet Ltd forms an integral part of our commitment to more sustainable farming and to delivering better quality and taste for the consumer through investment in IP varieties.

The success of different operating models, such as MG Direct and the Grower Delivery Advice (GDA) portal, continue to gain momentum and bring efficiency gains for all.



INTERNATIONAL TRADING

MG is the leading importer of fresh fruit and vegetables into New Zealand. Much like our domestic growing operations, global producers have faced their challenges with weather variables during the year. Logistical challenges have also impacted throughout the year. Despite these challenges import revenues improved across all key categories, driven by both volume and value.

Our imports team is focused on maximising sales of products not grown in New Zealand or out of season. As consumers become more adventurous with their culinary skills and the food service sector grows, the opportunities for more 'exotic' products also show promise.

Dole is the largest selling proprietary brand in the market. They continue to deliver high quality and innovation to the market place. MG has now been in partnership with Dole for 25 years and Dole remains the leading brand across the tropical fruit range of bananas, pineapples and paw paw.

Our imports division continues to drive initiatives which deliver great tasting fruit and vegetables that will enhance repeat purchases and meet the customer's expectations for all round supply and diversity of product. This is no

more evident within the grape category where old, high cost, varieties are being replaced with high producing, lower cost and improved flavour seedless varieties. Our key category supply partners, such as Jasmine Vineyards in California, Dole Chile and Fruitmaster in Australia, are at the forefront of this evolution.

Convenience is also another factor shaping other categories and consumer shopping behaviour. Easy peel mandarins are fast becoming the citrus category leader and close to year-round supply, including domestic production, is being supported by our key supply partners Sunkist and Mildura Fruit Company. The recent introduction of an innovative pineapple coring machine to the market demonstrates how providing the consumer with a cost-effective and convenient product can drive sales momentum. Store trials are underway throughout the country and we expect to roll out more of these machines later in the year.

Our international supply partners are leaders in their particular field and most have a long-standing relationship with MG. This is a key factor in our success as they understand our marketplace and help to bring innovation and competitive advantage to our business.



↑ Murray Tait from Te Mata Exports

TE MATA EXPORTS 2012 LTD

MG's joint venture export partner, Te Mata Exports, consolidated on growth in recent years to provide another solid trading result.

Despite industry apple export volume being down on forecasts, our market share grew against this trend. Generally, export apple values were lower than the previous year but overall our revenue showed strong gains on the back of improved volume.

As our apple business continues to show year on year growth, other products in the portfolio are also showing rapid growth, in particular citrus. Our diversification strategy continues to gain momentum with non-apple product lines now representing approximately 50% of turnover. The business is now trading product from New Zealand, Australia and the USA. This continues the strategy of linking global opportunities through the Group's relationships to Te Mata Export's reputable customer base.

International trading of perishable products is a challenging environment to operate in – so while not without risks our business growth is being managed prudently. Fundamentally, this relies on partnering with quality growers and working collaboratively to achieve the best possible returns. This also extends to enhancing customer relationships by providing sustainable business partnerships. To maintain service levels as we continue our growth trajectory, additional human resource is being employed.

Our export industry has enormous growth potential – our ideal climate and soils, investment in R&D and new varieties, a focus on best-practice growing, our proximity to key markets and the global environmental consciousness of consumers all have the New Zealand horticultural industry well positioned.

UNITED FLOWER GROWERS LTD

MG's joint venture flower business, UFG, reported a record year in both sales and profitability, up from the previous year's high. 2018 has been characterised by a number of significant events which have impacted on the business. Despite these challenges the business has responded and performed well.

The purchase of the Floramax flower auction business in April 2017 required the successful merger of staff and company cultures which has been achieved, along with the synergy gains this acquisition expected to realise.

The business has continued to expand services with a dual auction clock being introduced into the Auckland branch. After some consenting delays, UFG also introduced a clock auction system into the Christchurch market during October 2018. This will further improve service levels to both suppliers and customers alike and deliver efficiency gains for the business.

With all the changes and disruptions behind us, the focus is on continued commitment and stabilising our services to flower growers and buyers. We plan to move forward from here by continuing to develop programs, resources and opportunities that best benefit everyone associated with the industry. This includes access to analytical and technical information to better assist flower growers, expansion of our digital auction platforms and the introduction of remote buying (cloud auction) to the South Island, or finding more ways to improve the demand for New Zealand grown flowers.



← **LaManna Premier Group**

Board of Directors

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

*Executive Management Attendees.



AUSTRALIAN OPERATIONS – LAMANNA PREMIER GROUP

2018 was a challenging year on many fronts, weak market conditions and product values across LPG's key categories being the most significant disruptor.

Low product values on certain lines have become the norm for an extended period now. We need to adapt to this challenge and the changing market conditions and look to new initiatives in order to mitigate some of the economic consequences. This may take some time to achieve but initiatives are well underway. There are some early signs of improving market conditions which are also encouraging.

Sales volume on some lines has also deteriorated as over production has limited opportunities into key customer accounts. New commitments from these customers are being built on the back of our farming operations and by providing more certainty for the business across the core categories of bananas, tomatoes, pumpkin, melons and citrus.

Consequently, our farming operations also suffered from depressed market pricing. Some categories have experienced 10-year pricing lows which, to a certain point, are beyond our control. As such, farming yields and operating efficiencies are the immediate focus to mitigate weak market conditions where possible.

The LPG business handles over 20 million cartons of produce per annum. Product handling efficiency is therefore a critical component in capturing cost efficiencies. A full review of our logistics and service provisions is well underway. The business is, however, mindful of the need to balance growth opportunities with a cost efficiency focus.

LPG has been working hard on business improvement strategies for these disruptors and on a number of key priorities in the immediate future. First and foremost, the executive team has been realigned and refocused on these key priorities. They are also focused on ensuring that the company values and culture continued to be aligned with the organisation strategies.

Investment in resource and infrastructure within farming operations has commenced to provide improved stewardship on operational improvements, quality and consistency of supply.

Efficiencies across warehouse operations and productivity are a complex area of the business and will take time to come to fruition. Direct to store models, similar to those implemented in New Zealand operations, along with on-farm quality assurance, compliance and technical support initiatives are all key

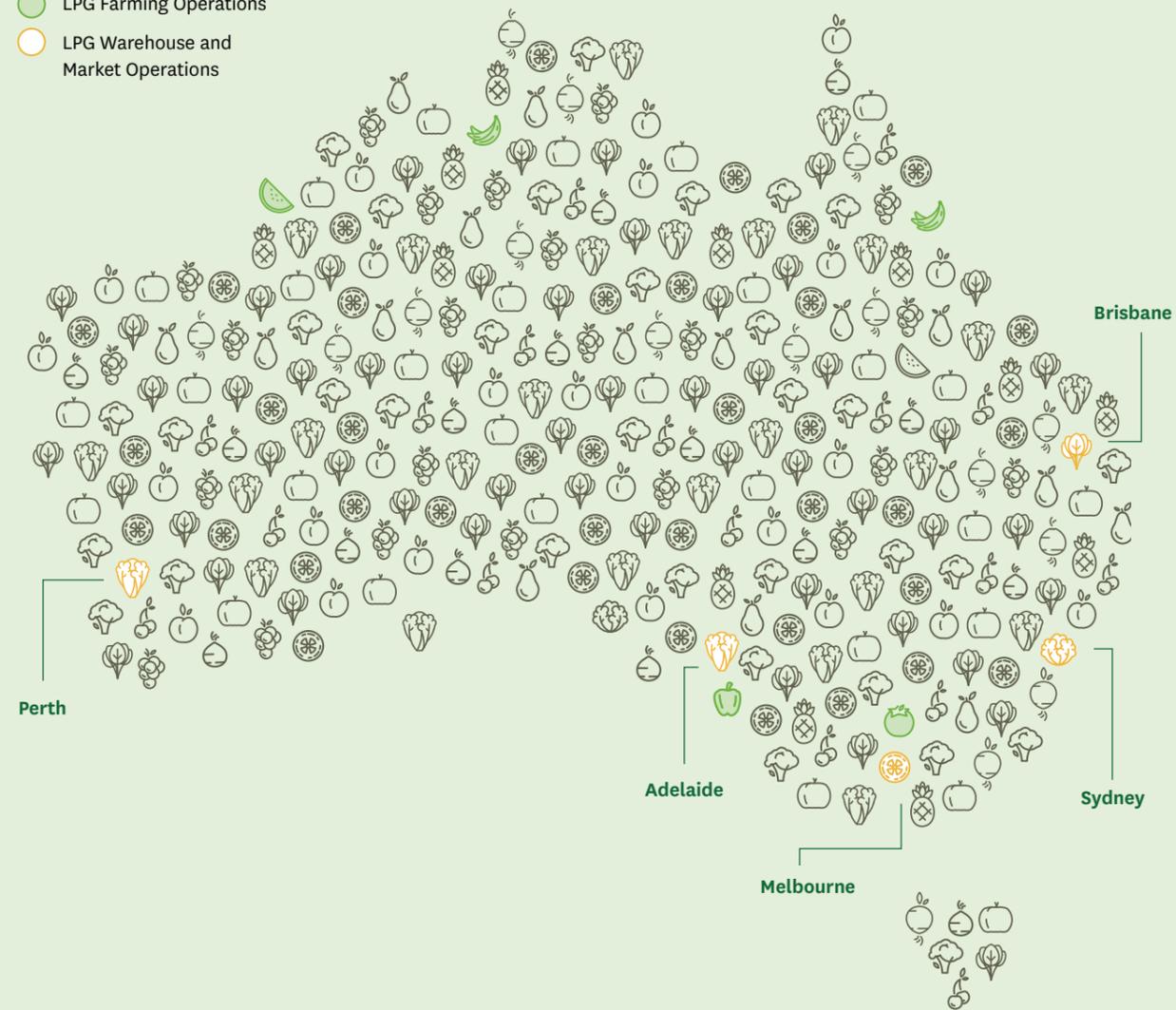
enablers for improvement in this area.

The final stages of our network and systems integration is almost complete. Ongoing development and implementation of business analytics tools are also underway, which will improve the availability of information to support sound decision making.

Profitable sales growth initiatives are a key priority - this is underpinned by building on initiatives that allow for having 'skin in the game' and developing strategic grower partnerships and customer relationships.

Significant post-merger efficiency gains have been implemented during 2017 and 2018, with further gains initiated as we enter 2019. We will take lessons from the past but have a firm focus on the future. We remain steadfast on our commitment to invest in our people and communities. Whilst there is uncertainty on the timing of improvement of the low-price environment we remain optimistic about the future. MG and LPG are taking a long-term view so that, whilst the immediate focus and priorities are to strengthen the business to address the challenges, the strategic focus is to continually improve the business model and associated infrastructure to take full advantage of future opportunities and set the business up for long term sustainable success.

- LPG Farming Operations
- LPG Warehouse and Market Operations



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
- Shamrock Gardens (Joint Venture with Galwey Family), Broome, Western Australia**

 - 121 hectares of seedless watermelon and pumpkin
 - Circa 3 million kg's 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

For some time now, investment in our people, growers and community has been part of our strategic fabric, with a number of unique initiatives being developed as a result.

® GROWING YOU

We have made significant investment in the grower development programme, partnering with organisations such as Lincoln University, to offer our growers access to some of the latest thinking and learning within the sector – this is our Grower Development Workshop Programme. We are currently looking at additional programmes that include elements of the Graduate Programme and Sales Academy and potentially extending to a growing academy.

Our biennial regional grower shed meetings were conducted across the country. This is our opportunity to keep the grower Co-operative 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 Director Internship programme was introduced in 2015 with the aim of encouraging shareholders to grow their knowledge and governance experience. The position allows the intern to attend all meetings with full speaking rights, but no voting rights, and is supported by a mentor from the MG Board. Trudi Webb has now joined the programme, being our second Director Intern, as the Co-operative's commitment to developing the governance skill set of our members.



↑ MG's Intern Director Trudi Webb

MG'S INTERN DIRECTOR – TRUDI WEBB

The MG Marketing Board is pleased to announce Trudi Webb as the recipient of the 2017 Director Internship for MG Marketing.

The director internship was introduced in 2015 as part of the ® Growing You initiative and also formed part of the MG Board's strategy to broaden the knowledge and experience base of our shareholders and their families, while giving those with an interest in the governance of MG Marketing a taste of what is involved. While the intern is not an actual director, the appointment allows the intern to participate and gain experience in MG's corporate governance.

Trudi is part of a fourth-generation family growing enterprise, Webb's Fruit - arguably one of New Zealand's most successful summerfruit and apple producers. Alongside her husband Simon, Trudi operates the original family-owned orchard that was established over 100 years ago on 32 hectares of land 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. Her wealth of experience in the summerfruit sector underpins her vision for the industry of environmental and economic sustainability for future generations.

MG in the community



The health of our people and our wider community is at the heart of what MG does – primarily this is what we call ‘selling health to the nation’.

MG is a significant sponsor of the United Fresh and the 5+A Day Charitable Trust programme. The Trust was launched over ten years ago to help encourage consumption of more fresh fruit and vegetables to improve the wellbeing of New Zealanders. Ten years is a significant milestone and MG is proud of its association – the Trust plans to focus on the workplace and education sectors, stay at the forefront of social media and develop more nutritional information for consumers to use.

MG continues to support the efforts of the Salvation Army who help to fight poverty and social and emotional distress in New Zealand.

Last year we announced our partnership with the Māia Health Foundation as a Founding Business Partner. Both organisations are focused on health and well-being of our communities. Māia is working to raise funds for essential projects to help New Zealanders get the right medical care, at the right time and in the right place. By supporting Māia we can play an important role in supporting the health of many in the community.

Andrew Derbridge, Susi Boehm and Ben Scott from Scottsfresh with Shaun Bowie and Andrew Body from MG.

SUSTAINABILITY INITIATIVES

Sustainability is the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Sustainability affects many areas of our lives and business. Be it through the drive to reduce waste, lower our carbon footprint, enhance staff well-being, lower energy consumption or a myriad of other initiatives. MG is committed to enhancing sustainable practices across the organisation through the delivery of five key sustainability factors:



REDUCING WASTE

Over the past year we have worked hard to improve our waste diversion and to improve recycling within our branch network. Improving our waste control throughout our sites and working with our waste management partners to better provide more accurate and environmentally friendly collections, will improve our diversion from landfill into more recyclable streams.

PACKAGING

The need to reduce, reuse and recycle is of paramount importance to all our futures. We are constantly looking at ways to improve our packaging solutions and are currently working on guidelines to assist our grower suppliers, and to provide packaging that is recyclable when packaging is necessary. Finding solutions around alternate packaging that comply with a myriad of challenges, such as food safety, cost and practicality, will not be easy. It is a complex discussion, and will no doubt take time to resolve, given the on-going influence of the consumer voice.

REFRIGERATION

We are constantly reviewing and planning for anticipated change. A move to natural gas solutions has seen recent changes to some sites. All facilities will be progressively changed to environmentally sustainable solutions over time.

OUR PEOPLE

We are actively engaged in the health and wellbeing of our people. Our team has access to and support from Synergy Health's Tracksuit Inc. website. This is a web-based platform that encourages and supports healthy lifestyles through education, information and reward-based programmes which encourage participation. To further support this our branch sites actively encourage group participation in physical based activities (various run/walk activities throughout the year), as well as providing access to affordable fresh fruit and vegetables.

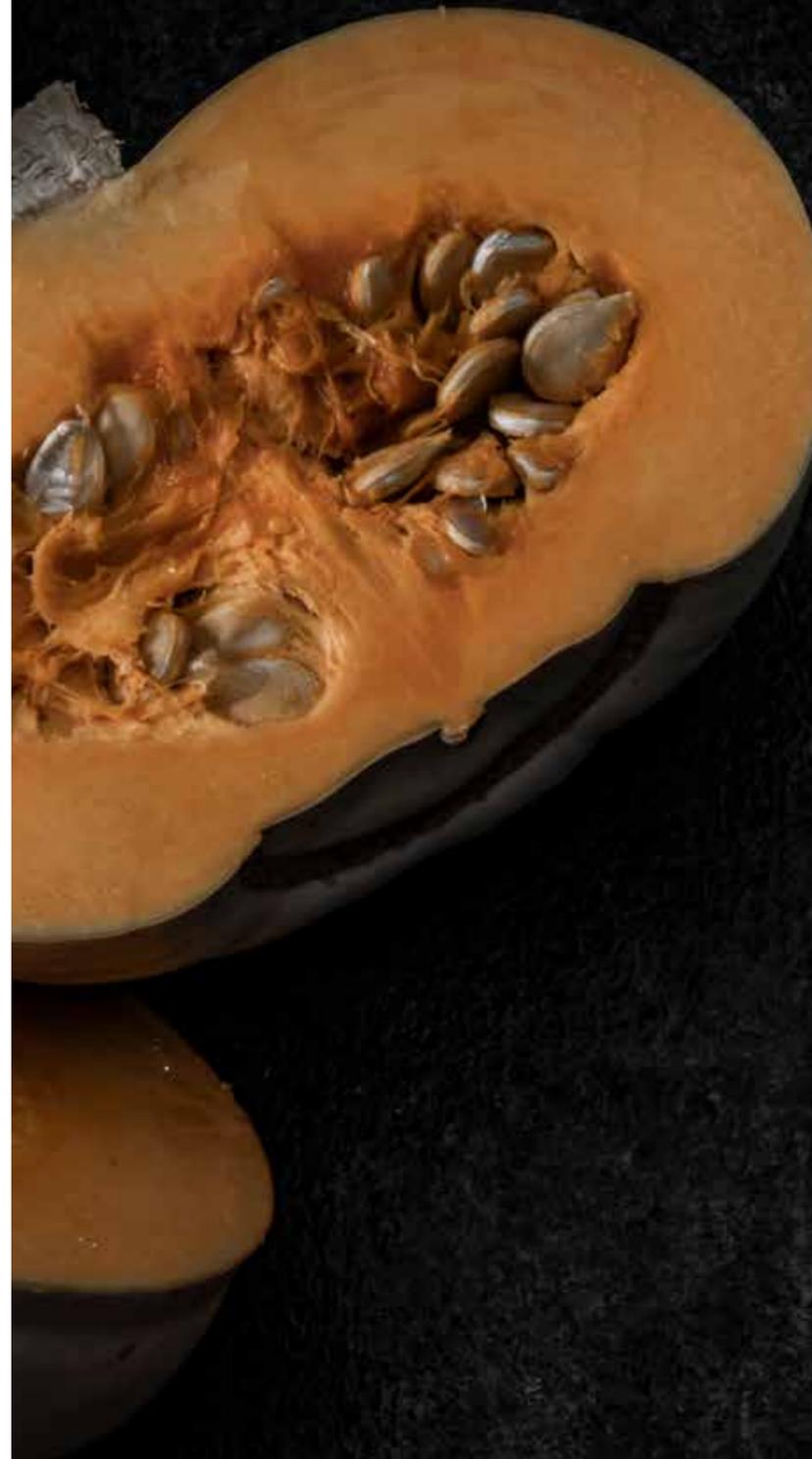
ENERGY

With changes to both our lighting systems across the country and improvements and upgrades to our refrigeration plants we are constantly looking at ways to improve our use of energy.

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 Copthorne Hotel, Palmerston North, on Wednesday 21 November 2018, commencing at 5.00pm. Shareholders are welcome to join MG directors, management and staff to formally or informally discuss topics of interest.

There will be a dinner following on from the meeting at approximately 7.30 pm and all shareholders and their partners are warmly 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).



INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	GROUP	
	2018	2017
	\$'000	\$'000
Revenue – sale of goods	525,054	570,413
Cost of sales	467,794	508,901
Gross profit	57,260	61,512
Other operating income	2,888	3,703
Administrative expenses	11,844	10,880
Other expenses	38,988	36,106
Results from operating activities before other income and other expenses	9,316	18,229
Other income – gain on acquisition	6,568	-
Other expenses – impairment	32,330	-
Results from operating activities	(16,446)	18,229
Finance income	83	51
Finance expense	2,973	2,954
Net finance costs	2,890	2,903
(Loss)/profit before equity earnings and income tax	(19,336)	15,326
Share of profit of equity accounted investees	673	692
(Loss)/profit before income tax	(18,663)	16,018
Income tax expense	839	4,409
(Loss)/profit for the year	(19,502)	11,609

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000
Net cash from operating activities	15,835	20,462
Net cash (used in) investing activities	(20,589)	(24,762)
Net cash from financing activities	213	13,787
Net (decrease)/increase in cash and cash equivalents	(4,541)	9,487
Cash and cash equivalents at 1 July	13,035	3,476
Effect of exchange rate fluctuations on cash held	759	72
Cash and cash equivalents at 30 June	9,253	13,035

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 2018

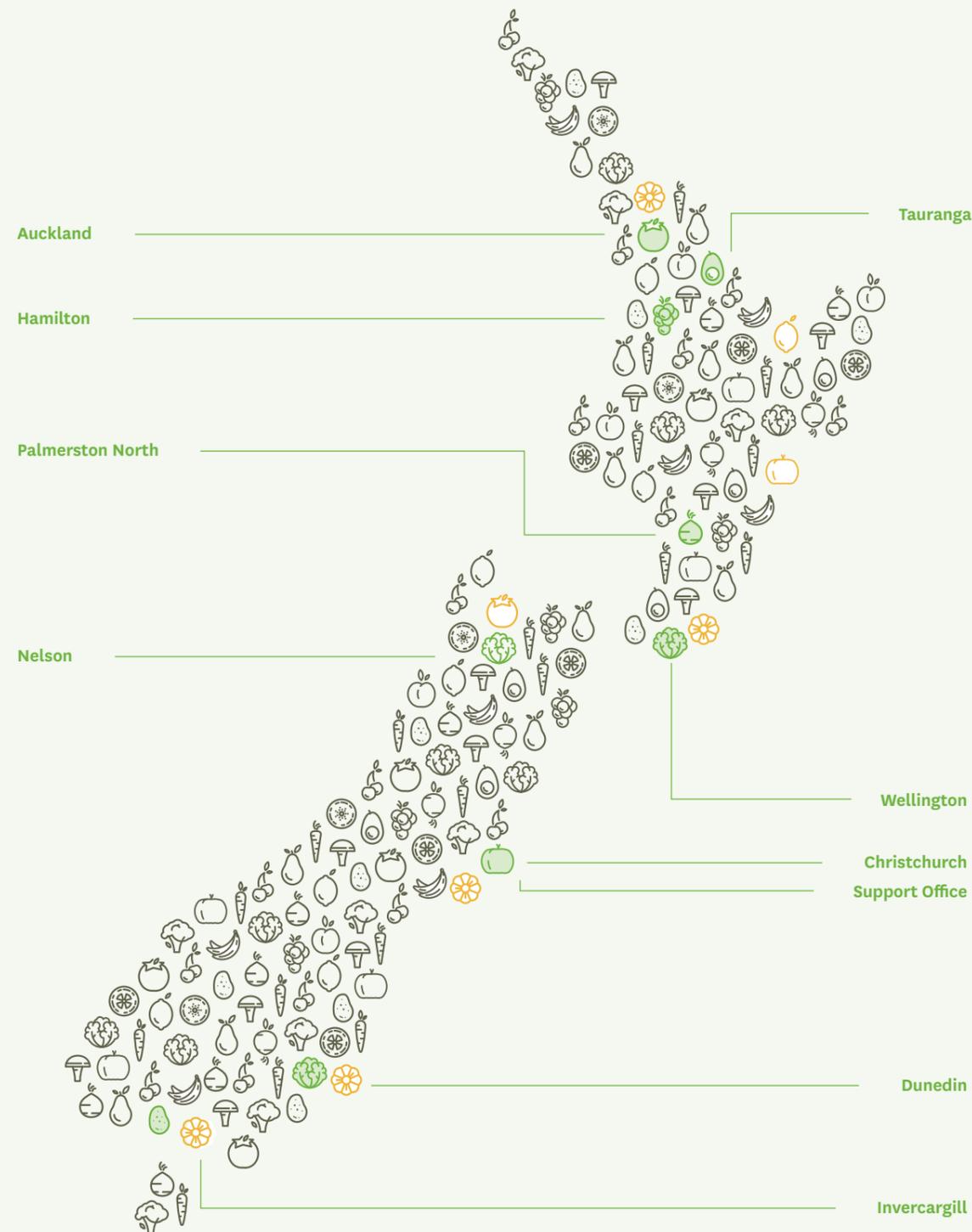
	GROUP	
	2018	2017
	\$'000	\$'000
Equity		
Share capital	29,498	26,129
Reserves	32,171	30,257
Retained earnings	35,451	54,572
Total equity attributable to equity holders of the Parent Company	97,120	110,958
Non-controlling interest	10,027	18,720
Total equity	107,147	129,678
Non-current assets		
Property, plant and equipment	142,324	121,373
Intangible assets	26,440	57,716
Investments in equity accounted investees	8,922	6,277
Trade and other receivables	37	2,479
Deferred tax assets	7,564	5,017
Total non-current assets	185,287	192,862
Current assets		
Inventories	9,766	7,326
Trade and other receivables	51,823	63,904
Cash and cash equivalents	9,253	13,035
Non-current assets held for sale	6,620	-
Total current assets	77,462	84,265
Total assets	262,749	277,127
Non-current liabilities		
Borrowings	60,275	56,235
Trade and other payables	964	925
Deferred tax liabilities	11,272	7,341
Total non-current liabilities	72,511	64,501
Current liabilities		
Borrowings	10,737	1,444
Trade and other payables	71,030	79,908
Taxation payable	1,324	1,596
Total current liabilities	83,091	82,948
Total liabilities	155,602	147,449
Net assets	107,147	129,678

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

- MG Market and Warehouse Facilities
- MG Subsidiaries and Associates

- Te Mata Exports
- United Flower Growers
- JS Ewers
- First Fresh NZ



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: Kerry Baird
 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.
 Market Gardeners (USA) Inc.
 5001 E Commercentre Drive
 Bakersfield, California
 CA 93309-1687, USA
 Phone: +1 661 322 4044
 Manager: Doug Trask B.BA

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.

MG was established by a small band of resolute growers to leverage greater value for their produce. It was from these humble beginnings that the foundations were laid for a successful co-operative that values the benefits of shared knowledge and collective capability. Today, MG represents 418 grower shareholders.

Stronger.

The ultimate benefits of working as one can be anything from greater financial security, to long-term business sustainability, to collegiality. Delivered through our strong branch network, industry knowledge and local understanding, MG is here to support the growth of all our grower shareholders.

**Together.
Stronger.**

