



Annual General Meeting
21 November 2016

Chairman's Report:

Derek Walker



NEW ZEALAND GROWN : GROWING NEW ZEALAND

Group Overview

	2016 \$(000)	2015 \$(000)
Speirs Foods Profit before Interest	513	509
Profit / (Loss) Contribution from Others		
• Rosa Foods	103	141
• Advaro	(181)	(72)
• Speirs Nutritionals	(4)	10
• Allied Farmers	32	671
Corporate Expenses incl Refinancing & Delisting	(303)	(298)
Partial recognition of Future Income Tax Benefit	315	0
Net Financing Cost	(303)	(417)N
Net Profit after Tax	117	544
Operating Cash Flow Surplus	92	157
Equity/Total Assets ratio	31%	30%

Speirs Foods Limited – 100% Shareholding



- A better second half of the year gave a result similar to the previous year
- Revenue up 5% on previous year
- Continue to add new products to the salad range – focus on healthy and colourful presentation



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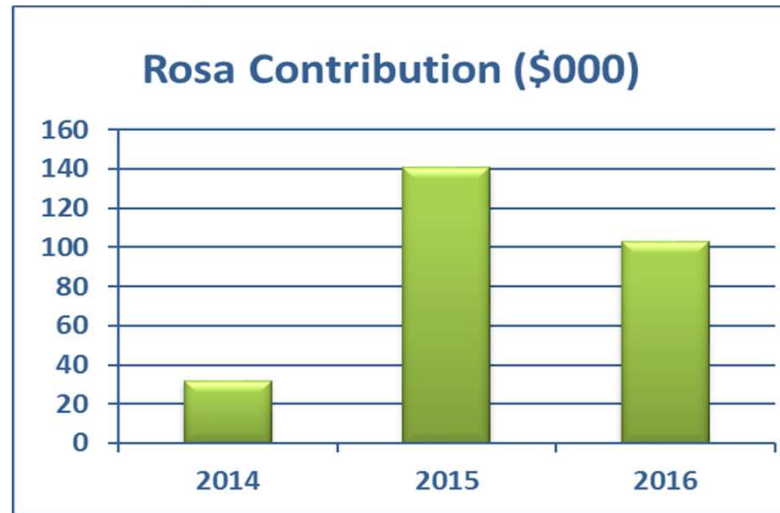
Speirs Foods – Current Year

- Steady start to the year
- Strong pressure from customers and competitors on price
- Means we need to keep pressure on input prices and business efficiency. We have made some gains but need for continual improvement.
- Continued focus on new products but core coleslaw and potato salad ranges still provide majority of turnover
- Some vegetable supply challenges but not as expensive as last year so far
- There will be an impact on sales and distribution as a consequence of the recent earthquake – outcome still evolving
- Management transition



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Rosa Foods – 40% Shareholding



- Another good result from Rosa, \$103,000 contribution to SGL result
- Investment made in factory expansion to cope with increased volume
- Disruption from expansion had a short term impact on trading

Advaro / ELF – 9.2% Shareholding

- Speirs had 9.2% Equity Interest and \$1m Subordinated Debt yielding 10% at 2016 year end
- Involvement with Integr8 impacted on 2016 performance
- Subsequent to year end:
 - Advaro transferred into new holding company, ELF Holdings
 - New capital introduced into ELF diluting Speirs holding to 2.4% of equity plus 0.4% preference shares
 - ELF acquired AB Equipment and NZ Trucks from Hellaby Holdings
- Speirs now has a small holding in a much bigger entity
- Expect that the new entity will achieve profitability sooner as acquired businesses are established and there will be synergy gains



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Directors

	Speirs Group	Speirs Foods
Derek Walker	Chair	Chair
Fred Hutchings	Dep-Chair	Dep-Chair
Nelson Speirs	Director	
David Speirs	Director	
Robert Speirs		Director



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Auditors



- KPMG appointed 2012 following tender process
- Board have confirmed their continued appointment for 2016/17

Outlook

- Focus on building profitable growth of Speirs Foods and Rosa.
- Monitor holding in ELF but influence has declined
- Refinancing of RPS due in September 2017
- Impending sale of property used by Speirs Nutritionals and presently leased.
- No dividends for 2016 year but remain under review and future payments dependant on Trading results and need for debt repayment.



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Formal Business

1. Consideration of the Annual Report and Financial Statements
2. Resolution 1: That Derek Walker be re-appointed a Director
3. Resolution 2: That David Speirs be appointed a Director
4. Resolution 3: That the Directors be authorised to set the remuneration of the auditors
5. General Business



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