

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 1 February 2018 (unaudited)

| | Group | |
|---|---|---|
| | Half Year ended 1/2/18 \$000 | Half Year ended 1/2/17 \$000 |
| Sales revenue | 146,757 | 122,911 |
| Cost of sales | (56,551) | (51,555) |
| Gross profit | 90,206 | 71,356 |
| Other operating income | 423 | 387 |
| Selling expenses | (51,396) | (44,238) |
| Distribution expenses | (3,894) | (3,732) |
| Administration expenses | (14,320) | (11,084) |
| Total expenses | (69,610) | (59,054) |
| Operating profit | 21,019 | 12,689 |
| Finance income | 136 | 135 |
| Profit before income tax | 21,155 | 12,824 |
| Income tax | (6,013) | (3,639) |
| Net surplus attributable to the shareholders of the parent | 15,142 | 9,185 |
| Other comprehensive income | | |
| Fair value gain in cash flow hedge reserve net of tax | 1,057 | 1,897 |
| Increase in share option reserve | 64 | 56 |
| Total comprehensive income for the year | 16,263 | 11,138 |
| Earnings per share | | |
| Basic and diluted earnings per share | 25.39 | 15.40 |

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 1 February 2018 (unaudited)

| | Group | | |
|----------------------------------|---------------------|--------------|--------------|
| | As at 1/2/18 | As at 1/2/17 | As at 1/8/17 |
| | \$000 | \$000 | \$000 |
| Equity | | | |
| Contributed equity | 27,061 | 27,637 | 27,270 |
| Asset revaluation reserve | 15,915 | 12,617 | 15,915 |
| Cashflow hedge reserve | (597) | (521) | (1,654) |
| Share option reserve | 94 | 259 | 327 |
| Retained earnings | 22,074 | 17,169 | 16,615 |
| Total equity | 64,547 | 57,161 | 58,473 |
| Represented by | | | |
| Current assets | | | |
| Cash and cash equivalents | 18,318 | 11,650 | 12,552 |
| Trade and other receivables | 488 | 353 | 779 |
| Advances to employees | 201 | 249 | 238 |
| Prepayments | 4,645 | 3,642 | 3,873 |
| Inventories | 18,676 | 17,637 | 20,605 |
| Total current assets | 42,328 | 33,531 | 38,047 |
| Non-current assets | | | |
| Property, plant and equipment | 45,312 | 40,445 | 44,864 |
| Intangible assets | 457 | 431 | 539 |
| Deferred tax | 2,165 | 2,006 | 1,694 |
| Total non-current assets | 47,934 | 42,882 | 47,097 |
| Total assets | 90,262 | 76,413 | 85,144 |
| Current liabilities | | | |
| Trade payables | 7,236 | 4,195 | 9,169 |
| Employee benefits | 5,370 | 4,258 | 4,500 |
| Other payables | 9,221 | 8,495 | 8,187 |
| Derivative financial instruments | 842 | 723 | 2,298 |
| Taxation payable | 3,046 | 1,581 | 2,517 |
| Total current liabilities | 25,715 | 19,252 | 26,671 |
| Total liabilities | 25,715 | 19,252 | 26,671 |
| Net assets | 64,547 | 57,161 | 58,473 |

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 1 February 2018 (unaudited)

| | Group | | | | | | |
|--|------------------|-------------------|---------------------------------|----------------------------------|----------------------------|----------------------|-----------------|
| | Share Capital | Treasury Stock | Asset revaluation reserve | Cash flow hedge reserve | Share Option Reserve | Retained earnings | Total Equity |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 August 2016 | 29,279 | (1,630) | 12,617 | (2,418) | 203 | 17,826 | 55,877 |
| Comprehensive Income | | | | | | | |
| Profit for year | - | - | - | - | - | 9,185 | 9,185 |
| Cash flow hedges net of tax | - | - | - | 1,897 | - | - | 1,897 |
| Increase in share option reserve | - | - | - | - | 56 | - | 56 |
| Total comprehensive income | - | - | - | 1,897 | 56 | 9,185 | 11,138 |
| Transactions with owners | | | | | | | |
| Purchase of treasury stock | - | (100) | - | - | - | - | (100) |
| Dividends | - | 88 | - | - | - | (9,842) | (9,754) |
| Total transactions with owners | - | (12) | - | - | - | (9,842) | (9,854) |
| Balance at 1 February 2017 | 29,279 | (1,642) | 12,617 | (521) | 259 | 17,169 | 57,161 |
| Comprehensive Income | | | | | | | |
| Profit for year | - | - | - | - | - | 8,084 | 8,084 |
| Revaluation net of tax | - | - | 3,298 | - | - | - | 3,298 |
| Cash flow hedges net of tax | - | - | - | (1,133) | - | - | (1,133) |
| Increase in share option reserve | - | - | - | - | 73 | - | 73 |
| Total comprehensive income | - | - | 3,298 | (1,133) | 73 | 8,084 | 10,322 |
| Transactions with owners | | | | | | | |
| Purchase of treasury stock | - | (500) | - | - | - | - | (500) |
| Sale of treasury stock | - | 51 | - | - | - | - | 51 |
| Transfer of share option reserve to retained earnings | - | - | - | - | (5) | 5 | - |
| Dividends | - | 87 | - | - | - | (8,648) | (8,561) |
| Gain/loss on sale of treasury stock transferred to retained earnings | - | (5) | - | - | - | 5 | - |
| Total transactions with owners | - | (367) | - | - | (5) | (8,638) | (9,010) |
| Balance at 1 August 2017 | 29,279 | (2,009) | 15,915 | (1,654) | 327 | 16,615 | 58,473 |
| Comprehensive Income | | | | | | | |
| Profit for year | - | - | - | - | - | 15,142 | 15,142 |
| Cash flow hedges net of tax | - | - | - | 1,057 | - | - | 1,057 |
| Increase in share option reserve | - | - | - | - | 64 | - | 64 |
| Total comprehensive income | - | - | - | 1,057 | 64 | 15,142 | 16,263 |
| Transactions with owners | | | | | | | |
| Purchase of treasury stock | - | (750) | - | - | - | - | (750) |
| Sale of treasury stock | - | 607 | - | - | - | - | 607 |
| Transfer of share option reserve to retained earnings | - | - | - | - | (297) | 297 | - |
| Dividends | - | 94 | - | - | - | (10,140) | (10,046) |
| Gain/loss on sale of treasury stock transferred to retained earnings | - | (160) | - | - | - | 160 | - |
| Total transactions with owners | - | (209) | - | - | (297) | (9,683) | (10,189) |
| Balance at 1 February 2018 | 29,279 | (2,218) | 15,915 | (597) | 94 | 22,074 | 64,547 |

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 1 February 2018 (unaudited)

| | Group | |
|---|------------------------------------|---------------------------------------|
| | Half Year ended 1/2/18 \$000 | Half Year ended 1/2/17 \$000 |
| Cash Flows from operating activities | | |
| Cash was provided from: | | |
| Sales to customers | 146,507 | 124,218 |
| Rent received | 384 | 387 |
| Interest received | 126 | 121 |
| Interest on debtors | 10 | 13 |
| | 147,027 | 124,739 |
| Cash was applied to: | | |
| Payments to suppliers | 94,362 | 82,353 |
| Payments to employees | 25,609 | 23,730 |
| Taxation paid | 6,345 | 3,509 |
| | 126,316 | 109,592 |
| Net cash flows from operating activities | 20,711 | 15,147 |
| Cash flows from investing activities | | |
| Cash was provided from: | | |
| Proceeds from sale of property, plant and equipment and intangible assets | 5 | 3 |
| Repayment of employee advances | 37 | 97 |
| | 42 | 100 |
| Cash was applied to: | | |
| Purchase of property, plant and equipment and intangible assets | 4,798 | 7,934 |
| | 4,798 | 7,934 |
| Net cash flows applied to investing activities | (4,756) | (7,834) |
| Cash flows from financing activities | | |
| Cash was provided from: | | |
| Proceeds from sale of treasury stock and dividends | 701 | 88 |
| | 701 | 88 |
| Cash was applied to: | | |
| Dividend paid | 10,140 | 9,842 |
| Purchase of treasury stock | 750 | 100 |
| | 10,890 | 9,942 |
| Net cash flows applied to financing activities | (10,189) | (9,854) |
| Net increase in funds held | 5,766 | (2,541) |
| Cash and cash equivalents at the beginning of the period | 12,552 | 14,191 |
| Cash and cash equivalents at the end of the period | 18,318 | 11,650 |

HALLENSTEIN GLASSON HOLDINGS LIMITED
RECONCILIATION OF SURPLUS AFTER TAXATION
TO CASH FLOWS FROM OPERATING ACTIVITIES
For the six months ended 1 February 2018 (unaudited)

| | Group | |
|--|---|---|
| | Half Year ended 1/2/18 \$000 | Half Year ended 1/2/17 \$000 |
| Net surplus after taxation | 15,142 | 9,185 |
| Add item classified as investing activity | | |
| Loss on sale of plant and equipment | 38 | 31 |
| Add/(deduct) non cash items | | |
| Depreciation, amortisation and impairment of property, plant and equipment | 4,392 | 3,747 |
| Deferred tax benefit | (857) | (453) |
| Revaluation of financial instruments | (12) | (338) |
| Share option expense | 64 | 56 |
| Add/(deduct) movements in working capital items | | |
| Taxation payable | 524 | 582 |
| Trade and other receivables and prepayments | (1,022) | 1,084 |
| Trade and other payables and employee benefits | 513 | (1,110) |
| Inventories | 1,929 | 2,363 |
| Net cash flows from operating activities | 20,711 | 15,147 |

HALLENSTEIN GLASSON HOLDINGS LIMITED

SEGMENT INFORMATION

For the six months ended 1 February 2018 (unaudited)

| For the period ended 1 February 2018 | Glassons New Zealand \$000 | Glassons Australia \$000 | Hallenstein Brothers \$000 | Storm \$000 | Hallenstein Property \$000 | Parent \$000 | Total Segments \$000 |
|---|---|---|---|------------------------|---|-------------------------|-------------------------------------|
| INCOME STATEMENT | | | | | | | |
| Sales revenue from external customers | 50,294 | 41,814 | 51,029 | 3,620 | - | - | 146,757 |
| Cost of sales | (20,491) | (14,508) | (20,143) | (1,409) | - | - | (56,551) |
| Gross profit | 29,803 | 27,306 | 30,886 | 2,211 | - | - | 90,206 |
| Finance income | 60 | 23 | 45 | 2 | - | 6 | 136 |
| Depreciation and software amortisation | 1,085 | 1,113 | 1,435 | 128 | 186 | - | 3,947 |
| Profit/(loss) before income tax | 7,618 | 8,249 | 6,976 | (2,051) | 360 | 3 | 21,155 |
| Income tax | (2,131) | (2,312) | (2,067) | 598 | (101) | - | (6,013) |
| Profit/(loss) after income tax | 5,487 | 5,937 | 4,909 | (1,453) | 259 | 3 | 15,142 |
| BALANCE SHEET | | | | | | | |
| Current assets | 13,313 | 11,477 | 16,586 | 874 | 167 | (89) | 42,328 |
| Non current assets | 10,877 | 9,067 | 9,634 | 1,118 | 17,238 | - | 47,934 |
| Current liabilities | 8,040 | 9,194 | 6,292 | 1,725 | 431 | 33 | 25,715 |
| Purchase of property, plant and equipment and intangibles | 1,460 | 1,991 | 1,207 | 122 | 18 | - | 4,798 |
| For the period ended 1 February 2017 | | | | | | | |
| | Glassons New Zealand \$000 | Glassons Australia \$000 | Hallenstein Brothers \$000 | Storm \$000 | Hallenstein Property \$000 | Parent \$000 | Total Segments \$000 |
| INCOME STATEMENT | | | | | | | |
| Sales revenue from external customers | 45,802 | 26,049 | 46,904 | 4,156 | - | - | 122,911 |
| Cost of sales | (19,687) | (9,748) | (20,623) | (1,497) | - | - | (51,555) |
| Gross profit | 26,115 | 16,301 | 26,281 | 2,659 | - | - | 71,356 |
| Finance income | 88 | - | 43 | 4 | - | - | 135 |
| Depreciation and software amortisation | 1,287 | 1,023 | 1,151 | 146 | 140 | - | 3,747 |
| Profit before income tax | 5,701 | 1,640 | 5,029 | 44 | 410 | - | 12,824 |
| Income tax | (1,613) | (470) | (1,428) | (13) | (115) | - | (3,639) |
| Profit after income tax | 4,088 | 1,170 | 3,601 | 31 | 295 | - | 9,185 |
| BALANCE SHEET | | | | | | | |
| Current assets | 12,710 | 3,934 | 2,857 | 12,033 | (16) | 2,013 | 33,531 |
| Non current assets | 10,314 | 7,426 | 9,484 | 1,124 | 14,534 | - | 42,882 |
| Current liabilities | 7,191 | 5,267 | 5,602 | 966 | 193 | 33 | 19,252 |
| Purchase of property, plant and equipment and intangibles | 1,462 | 2,600 | 3,576 | 296 | - | - | 7,934 |

HALLENSTEIN GLASSON HOLDINGS LIMITED

EVENTS SUBSEQUENT TO BALANCE DATE

At 1 February 2018 (unaudited)

On 16 March 2018 the Group announced that it entered into an unconditional agreement for the sale of the Storm business assets. The settlement is expected to be completed by 30 April 2018.