



foodstuffs^{NORTH ISLAND}



Concise Annual Report for
Foodstuffs North Island Limited.
Year ended 31 March 2019.





**We're customer
driven so our story
always starts with
New Zealanders.**



**From busy New Zealanders
looking for convenient,
easy solutions to get more
time back in their lives...**

**...to savvy shoppers and
those on a budget who
want more value...**

**...to our customers
looking for quality, taste
and freshness...**

**...or the fanatical foodies
who are passionate about
cooking and world-leading
food trends...**

**...to the casual shopper,
the health seekers and the
digital citizens who want
ease without compromise.**



We are a big part of New Zealanders' lives. We're there for the first ever soccer games, the family dinners, the new café start-ups and the casual eats at the beach. The online grocery shops wherever and whenever our customers want, and the quick stop to get something healthy (or a treat) on the way to bootcamp or book club.

We have the privilege of serving only one country and are locally owned. That means we have a responsibility to look after this place and the New Zealanders who live here. We're committed to doing our part for our people, planet and communities so that we make New Zealand a better place for future generations.

**We're here for all
New Zealanders and our
purpose is quite simply
to make sure they get
more out of life.**

**That's why we have
a strategy that
challenges us to be
customer driven for
all New Zealanders.**



**What we do
matters.**

**It matters to all
New Zealanders...**

**It matters to our team
of great people...**

**It matters to our local
communities...**

**It matters to our
beautiful country.**



How we do things at Foodies has always been just as important as what we do. Our values are part of our promise. We think customer, we're in it together, we play above the line and we're courageous...

...because that's the only way we'll deliver New Zealanders more out of life.

FY19 highlights.



Stickman, NZ's defender of the lowest prices, turned 10.



PAK'nSAVE Online went live with click and collect in the first 22 stores.



SAP is now in all PAK'nSAVE and New World stores, and in 49 Four Square stores.



We went single-use plastic bag free on 1 January 2019, which means 350 million plastic bags are no longer heading to landfill or our waterways.



New Zealanders nominated PAK'nSAVE as the second most reputable brand in New Zealand in the Colmar Brunton Corporate Reputation Index, with New World also in the top 10 for the second year in a row.



Foodies took out Retailworld NZ's Large Retail Employer of the Year Award.



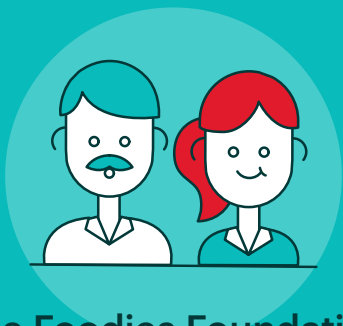
We started the build of our new Ambient Distribution Centre and Support Centre at The Landing, Auckland Airport.



Our stores donated more than 6.1 million meals to local community food banks across New Zealand.



AON Hewitt named Four Square among the top ten best employers in Australia and New Zealand.



The Foodies Foundation kicked off in May 2018 and we've already helped 33 Foodies families.



We went live with a new Gilmours Online e-commerce platform with 37% year-on-year growth.

Contents.

What's inside.

Contents.

Store customer satisfaction.

72% down 0.5%
year-on-year

Retail store sales.

\$7.5b up 2.7%
year-on-year

Total food retail market share.

47.4% up 0.2%
year-on-year

Lost Time Injury Frequency
Rate (LTIFR).

5.3 a **0.5 improvement**
year-on-year

Foodstuffs North Island overall Co-op
employee engagement score.

64% **stable**
year-on-year

A strong year in a changing market.

When I reflect on our year at Foodstuffs North Island, I am proud of the progress we have made to evolve our shopping experiences for customers, while continuing to deliver a strong Whole of Business (WOB) financial result, for members, in one of our toughest markets for many years.



Evolving our shopping experiences has become increasingly important, because the way New Zealanders shop is changing fast. Our industry is becoming more dynamic and more competitive. Foodies has responded to this with things like the launch of PAK'nSAVE Online and the new Gilmours Online e-commerce site. We have also introduced our new Simply Dinner range in New World and Four Square, and What's For Dinner in PAK'nSAVE, a new generation of Private Label products, and led the conversation on issues like plastic bags that are top of mind for customers.

Our purpose is to make sure New Zealanders get more out of life and this year we added to our strategy, with our aspiration to become one of the world's most customer driven retailers. There is something very "New Zealand" about aspiring to be among the best in the world. It will be exciting to see this come to life in our Co-op over the next few years.

To keep pace with what New Zealanders need from us we need a strong, aligned Co-op culture where we work together and move fast for customers. When we get this right, we are unbeatable.

Our Co-op spirit is what our business has been built on and it's not something that happens without the passion and willingness of our Members to build a strong Co-op, not just for today but for the future generation of Members.

Member representation is critical to having a strong culture and we've worked hard this year to introduce new channels for Members' voices to be heard. Our Banner Representation Groups (BRG) are becoming a valuable forum for consulting Members on their brand's direction and these will keep going from strength to strength in the year ahead.

We also launched new Member communication channels including regional Member meetings, Member teleconferences and BRG teleconferences. These new two-way channels have provided forums for passionate conversation and debate to help us to continue to stay focused on what's most important for our customers.

Financial highlights.

In the last year we saw a shift in the cost of living, which means New Zealanders have

From our Directors.

been seeking better value for their hard-earned dollars. As a business we responded to this challenge head on, to make sure our brands are positioned to remain relevant to customers, while we continue to build on what makes them special.

We're pleased to report another year of strong financial performance as we look to reinvest in the business and position ourselves to be competitive in the future.

Our Foodstuffs North Island Group total revenue for this 52-week period was \$6,767 million. This is \$126 million or 1.9% up on last year on a like for like basis, reflecting same store growth of 3.0%. Reported statutory revenue this year is \$3,332 million due to a change in accounting standards.

basis. We migrated two of our DCs onto a new warehouse management system this year, with the remaining DCs scheduled for next year.

Group profit before distribution to Members is \$248.4 million. Excluding the gain on sale of Roma Road and other non-strategic property divestments, this is an increase of \$15.9 million on last year, which is a pleasing result.

We're pleased with the overall total distribution to Members of \$168.3 million.

We're very happy with the financial results this year. We're confident that our strong balance sheet and investments will enable our Co-op to continue to grow and succeed for the next 100 years and beyond.

to deliver great customer experiences across all brands and I am looking forward to working with you all on our customer driven aspiration.

Congratulations to CEO Chris Quin and the whole Foodies team on another strong year of leading our Co-op and for challenging us to continue to raise the bar higher and position our business for the future.

On behalf of the Board,



Dean Waddell
Chair

Our purpose is to make sure New Zealanders get more out of life and this year we added to our strategy, with our aspiration to become one of the world's most customer driven retailers.

Our Support Centre operating profit was \$289.8 million, up \$79 million on last year. A substantial part of the \$79 million is from the one-off sale of Roma Road. The rest came from other non-strategic property divestments, upside in investments in associates, cost savings and a decrease in financing costs.

Total capital spend in the Support Centre was \$152 million. We continue implementing our property network strategy which represents \$87.4 million of total capital spend for new acquisitions, refurbishments and new stores. We divested \$36.4 million of surplus assets to reinvest elsewhere and have leased back the Roma Road site until our planned relocation to The Landing between late 2020 and early 2021. We are excited about our move to The Landing and the new way of working this represents.

We've continued to invest in online grocery sales and 111 stores are now online and sales are continuing to grow.

We also continued upgrading our IT infrastructure and consolidated our operations onto SAP. All our supermarkets are now on SAP, which has allowed us to access higher quality reporting on a timely

Strengthening our Co-op governance.

We introduced changes over the past year to strengthen our Co-op governance and Member representation channels. This included a greater focus on Board diversity as we welcomed two new Grocer Directors – Brendon Jones from New World Howick and Sarah Aston from New World Milford. We also proposed a change to appoint a fourth Independent Director to the Board, reviewed Member voting rights, drove new Director development options and improved the Operator Development Advisory Committee (ODAC) to give spaces to new Members who are not Board Directors.

Thank you.

Thank you to all our Members for your support and for the passion and commitment you bring every day to our Co-op, customers and communities. It is a privilege to serve the Co-op as your Board Chair and I am proud of the progress we have made together this year. We will continue our focus in the year ahead on supporting our Members

Customer driven for the future.

Like so many of our team I am proud to be a “Foodie” and FY19 has given us even more reasons to be proud.



We've built on the best of our 97-year past in New Zealand while having a focused aspiration for our customer driven future.

It's been another strong year for Foodies, with both our Foodstuffs North Island and Whole of Business earnings ending the year over target despite many market challenges.

Through the year we've seen customer preference shift further towards value, convenience, healthy options, digital disruption and social good.

We've responded to this directly by moving fast on the things that matter most to customers. On the retail front PAK'nSAVE Online and I Shop New World have given customers new, convenient ways to shop with us, we have improved our fresh offerings for customers, redefined what our New World brand stands for and delivered strong summer trading, including an exceptional performance in Private Label. For our Wholesale customers, we have improved our digital offering through Gilmours Online.

We've also been unwavering in our focus on sustainability, the safety and wellbeing of our team and staying strongly connected to New Zealand communities. We started 2019 with something we know is important to New Zealanders and to our beautiful country, when we officially went single-use plastic bag free at all our checkouts on 1 January.

We also opened the doors on six new stores and two replacement stores for customers this year: New World Papatoetoe, New World Feilding, Four Square Bombay, Four Square Waipapa, Four Square Matarangi, Four Square Tamahere, Four Square Fergusson Drive and Gilmours Tauranga.

Nothing is more important than making sure our team go home safely every day. We were pleased to receive a tertiary accreditation from ACC this year. We ended the year with a Lost Time Injury Frequency Rate (LTIFR) of 5.3 which means less of our team members were injured during the year than the previous year, despite a 4% increase in working hours. We will always do what it takes to improve safety, have courageous conversations and take the right actions to keep our teams and customers safe.

One of our proudest moments from FY19 was launching our Foodies Foundation to help our Foodies team members and their families during times of need. Less

than a year on the Foundation has been able to help 33 Foodies whanau through some of their toughest times and it continues to receive outstanding support from our people.

It was a privilege to be named 2019's Large Retail Employer of the Year by Retailworld NZ, and for PAK'nSAVE to be nominated the second most reputable brand in New Zealand in the Colmar Brunton Corporate Reputation Index with New World holding its place in the top 10 as well.

AON Hewitt named Four Square among the best employers in Australia and New Zealand after the 2018 FSNI engagement survey with their top quartile engagement score of 84%. Only ten organisations are awarded this accolade every year, so it's a huge achievement to be proud of. Our overall Co-op employee engagement score held at 64% and our Member satisfaction lifted to 88%.

It has also been pleasing to see our overall supplier engagement score lift in FY19 to 71%. One of our key challenges over the last year has been stock availability and we are committed to working with suppliers to make sure we have great products consistently on our shelves in the year ahead.

To get ready for the future, we made good progress on building our new Ambient DC and Support Centre at The Landing, Auckland Airport. We also introduced a new warehouse management system in the Rotorua DC and CTD Nesdale (Controlled Temperature Distribution Centre). Our Fresh DC extension was completed in 2018 and we moved our Wiri DC operations to new premises at Dalgety Drive, Auckland.

Delivering on our strategy.

It has been exciting this year to see the phenomenal progress and achievements made on our key strategic initiatives. All this sets our Co-op up well for the future and a refreshed FY20 strategy focused on our customer driven aspiration. We couldn't have achieved this without the passion, commitment and energy of our Members, store teams and Support Centre.

Win in Fresh: We upped our game on range, quality, and price in our fresh departments and invested in simplifying how stores order with a new produce ordering app. We are continuing to invest in systems to

streamline processes in the Support Centre. Our Simply Dinner meal solutions have been a hit with customers and featured in their first TV commercial in March.

Online: We deployed PAK'nSAVE Online across the first 22 stores, continued to roll out I Shop New World, and introduced a new I Shop web platform. For our wholesale customers we launched the new Gilmours online platform and saw 37% growth year-on-year. In FY19 we sold \$27 million through our retail online channels and this is continuing to grow fast.

Business analytics: With SAP now live in all PAK'nSAVE and New World stores and 49 Four Square stores our business is smarter than ever, and we are focused on using data and insight to improve the customer experience. Our new stores have been designed based on data and insight and are using it to inform our store flow and ranging decisions.

Customer insights and personalisation: We developed clear customer personas and mapped key customer journeys and have used these to drive our strategic thinking and decisions.

Partner for performance: We brought our Retail and Property teams in the Support Centre together to form the Membership & Property team, which is structured to enable better partnering with our stores. We continued to evolve our Member representation and engagement channels.

Simplify: \$11 million in annualised savings have been delivered, with \$2.4 million realised in FY19. Savings have been found by reviewing our non value-added costs, simplifying the way we do things, and using tools that help us work more efficiently.

New World proposition: We have reset what the brand stands for to 'Enjoy Better' and focused on supporting our smallest New World stores for success.

Our biggest opportunity areas for the year ahead are in growing customer satisfaction and our New World brand. We have a clear picture of what will get us there and now have to deliver consistent excellence for customers.

Looking forward.

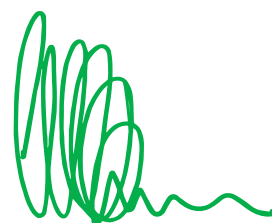
The last three years have seen real progress in building new foundational capability, while still delivering financial growth and targets every year. We now have a very exciting time ahead of us as we head into our customer driven transformation.

This transformation is about building on our history of excellent customer service to develop a new standard of customer driven retailing. There are four things customer driven businesses do: they have an empowered front line and engaged back office, they focus on the end-to-end customer lifecycle, they have a clear vision and aligned leadership and they use customer insights and analytics. We will use these four principles to guide what we do next. Every decision and conversation at Foodies will be founded in customer data and insight and every person will be driven by the impact they can make on customer experience.

We are focused on delivering clear brand offerings for our shoppers and empowering and enabling our team to do what matters most to customers. Investing in leadership skills and accountability will ensure this is a long-term outcome, and we have a strong team across our stores, Supply Chain, and Support Centre who are all committed to customer outcomes.

None of what we do at Foodies is possible without our 22,000-strong team of people making sure New Zealanders get more out of life every day. I am personally very proud of our team at Foodies and the amazing things we've achieved over the past year. From Kaitaia to Kilbirnie, our people are courageous, above the line, in it together, and they think customer every day so that New Zealanders get more of what matters to them.

Thank you for another great year. I'm looking forward to seeing where our customer driven journey takes us in FY20.



Chris Quin
Chief Executive Officer



We offer New Zealanders five different customer propositions. Local grocers own and operate every one of our stores and are committed to delivering what's right for their customers. When we say local, we mean it. From Four Square Houhora in the Far North, to New World Island Bay in the coolest little capital in the world.

Our brands.

New World.



From our qualified butchers instore and sustainably caught fish, to our award winning wines and passionate customer service, New World is all about helping our customers enjoy better. It's about giving them fair value everyday, inspiring solutions and an awesome experience.

New World continues to be one of New Zealand's most loved brands. This year, our stores have focused on helping customers to Enjoy Better – no matter how they shop with us whether it be instore, through Click & Collect or from the comfort of their own homes. Customer satisfaction has been strong once again at 74%.

Shopping when, where and how you want.

We're into our second year with I Shop New World and this online shopping app is now available in 89 New World stores across the North Island. Thousands of online orders were placed during the year and this year we launched the website version so customers can now choose to shop on their computers or the app. In total, \$25 million of New World's sales were through our online channels.

New look, New World.

After an 11-month rebuild, New World Papatoetoe reopened its doors to the community in March 2019 with a more modern, refreshed offering for customers.

In anticipation of the opening, locals lined up outside the door after watching the rebuild closely – some had even set up deck chairs outside the store to watch the progress.

The mighty Manawatu town of Feilding now has its biggest supermarket yet with the opening of its modern and spacious New World store in June 2018. The new store features a cafe, bakery, more fresh produce and hot food. Best of all, it's a big hit with the locals.

Our investment in refurbishments and new builds continues and we look forward to welcoming more refreshed and new stores to the New World family over the next year. New World Long Bay will open in May 2019.

Simply Dinner. Simply Done.

We launched Simply Dinner this financial year to take the stress out of dinner time for busy New Zealanders. The recipes come straight from our kitchen, ready for our customers to whip up a quick nutritious meal to bring the family together.

Simply Dinner gives our customers a choice, with lots of delicious recipes to choose from every week at a great price

point of \$20 to feed four people. Our customers love Simply Dinner and the learnings and ideas are being adopted in our other banners for customers to enjoy too.



New World National Marketing.

New World hopped to it with a national award-winning campaign in conjunction with the Easter Bunny – surprising and delighting parents and children alike with the virtual Easter egg hunt instore. The Big Night In saw nationwide bundle deals drive home a great value proposition as Kiwis sought to tighten their belts with rising housing and living costs.

Love your leftovers.

We continued our war on waste and introduced New World Pods so customers could love their leftovers. This was a success, driving sales and a lift in share over the six-week promotional period.

Enjoy Better.

New Zealanders started seeing the Enjoy Better proposition come to life in stores as we focused on delivering outstanding fresh products and customer experiences. Our summer and Christmas campaign highlighted our seafood, butchery, bakery and deli solutions. New World held its own at a time when shoppers are looking for extra value.

Bringing customers a top drop.

For the sixteenth year, the New World Wine Awards brought the Top 50 wines to eager customers. An independent panel of 17 expert judges selected the Top 50 wines under \$25 from more than 1,400 entries.

The fifth New World Beer & Cider Awards saw a successful new judging format with an expanded panel of 25 independent expert judges selecting the Top 30 beers and ciders.

Points Swap. We saw an increase in customers converting their Fly Buys points to New World Dollars.

Fuelled by Z Energy. We switched to Z Energy on 1 September and introduced personalised fuel offers which were gratefully received by customers.

New World Clubcard.

New World Clubcard scan rates are increasing and the level of engagement is also on the rise. The strength of the Clubcard programme nationally has helped drive an increase in the number of Clubcard customers shopping compared to a year ago. The average value of a Clubcard basket is growing faster than a non-Clubcard member basket.

A year of Clubcard highlights.

Refreshed Clubcard.co.nz. Clubcard members can now see more personalised Club Deal savings, their New World Dollars balance, Fly Buys balance and relevant offers.



PAK'nSAVE



PAK'nSAVE plays a critical role in our communities by delivering New Zealand's lowest food prices and helping New Zealanders live better for less. It's about being cheap as, fresh as, and sweet as so customers can get everything they need at PAK'nSAVE.

Since 1985 PAK'nSAVE has been a firm Kiwi favourite with its wide aisles and New Zealand's lowest food prices. This year we changed the game with a new online offering, improving fresh standards and most importantly continuing to bring New Zealanders the value they need.

Defending New Zealand's lowest prices.

Over the last year, in a market where New Zealanders wanted to see more value, the PAK'nSAVE brand had one of its strongest years with strong sales and basket growth.

Store upgrades to create better shopping experiences.

PAK'nSAVE Kilbirnie had an upgrade and extension to provide a more modern, quick

and easy shopping experience. This includes all new refrigeration, racking, checkouts and self-checkouts, as well as brand standard signage. Upgrades also improved the store's environmental footprint with LED lighting and CO₂ refrigeration.

PAK'nSAVE Thames, PAK'nSAVE Manukau and PAK'nSAVE Mill St have also started on significant upgrades to their stores. These changes will provide customers with an even better shopping experience and a store that will be able to serve its community both now and into the future. These upgrades include brand new equipment and modern layouts and are expected to be completed in mid-2019.

PAK'nSAVE Online.

Our customers have been asking us to help them save more than money and to

help them save time too. Enter PAK'nSAVE Online, a new way for customers to shop online with us, which was launched in 22 stores across the North Island during FY19.

At the end of FY19 PAK'nSAVE Online had only been live for ten weeks, but exceeded sales predictions. Customers are loving being able to do a bigger shop online and the basket size has been triple that of an instore PAK'nSAVE customer.



PAK'nSAVE National Marketing.

Happy Birthday Stickman.

This iconic brand, which celebrated Stickman's ten-year birthday in 2018, continues to go from strength to strength. It's clear New Zealanders are looking for a value proposition which delivers day after day and they find that at PAK'nSAVE.

Cracker Christmas.

Highlights for the year include support for the Commonwealth Games, Stickman's 10th anniversary of entertaining customers with funny sharp deals and PAK'nSAVE's birthday and Christmas celebrations.

In particular PAK'nSAVE had a cracker Christmas, being the best performer in the North Island for Foodies. We won when it came to providing families with great value feasts – helping them get together without budget pressure at this special time of the year.

Price gap campaigns.

We ran two 'price gap' campaigns to demonstrate our low prices to New Zealanders. PAK'nSAVE's Price Gap campaign is where an everyday shopper does their typical weekly family shop at PAK'nSAVE. The shopper then does an equivalent shop at the neighbouring Countdown within an hour of completing the PAK'nSAVE shop. The shopping totals are then compared to show the savings difference.

The first campaign was with PAK'nSAVE Wairau and PAK'nSAVE Porirua and both came out with great price differential for customers – Wairau at 15% and Porirua at 16%. In addition, we ran a further Price Gap campaign in PAK'nSAVE Royal Oak and PAK'nSAVE Tamatea with price differentials of approximately 11% and 14% respectively.



Four Square serves at the heart of our communities as one of New Zealand's most loved and iconic local grocers. It's about offering our customers their everyday essentials, having the fresh faves and local service so customers get in and out quickly.



Our brands.

Our Four Square brand turned 94 years young during the year and it's still as loved as ever, with a fast and easy small format and a warm community atmosphere. Our customers showed their approval with strong customer satisfaction results reaching 87%.

Five new stores in the family.

We welcomed five new Four Square stores into the fold this year: Four Square Bombay, Four Square Waipapa, Four Square Matarangi, Four Square Tamahere and Four Square Fergusson Drive.

Four Square Tamahere was the latest store to open in March 2019 and customers are loving it – from the locals, to school mums and dads, retirees, tradies, young teenagers and school kids.

How convenient.

This year we relaunched our meat range through Wilson Hellaby to bring customers better prices and more convenient pack sizes and packaging. We also started offering Simply Dinner to give customers a tasty, quick and easy solution for their dinner dilemmas.

Best employer.

AON Hewitt named Four Square among the best employers in Australia and New Zealand after we achieved a score of 84% in the 2018 engagement survey.

Top talent.

The next generation of talent is coming through thick and fast with 32 people approved to buy stores through our new Four Square Owner Operator selection process. We've revamped this process so candidates spend time working in a Four Square before their interview, then do an online skills assessment and meet with two panels who will recommend the best candidates.

Making sure Cheeky Charlie looks his best.

We brought in Four Square brand standards to make sure our stores look the same and are easy to recognise wherever you go. A lot of our stores have done an awesome job of getting behind this with new signs and a fresh lick of paint. Four Square Clive, Four Square Russell, Four Square Urenui, Four Square Fergusson Drive, Four Square

Village Ashhurst, Four Square Fosters and Four Square Ohope are just some of the stores that have had a brand refresh.

Digital grocers.

As part of our journey to become digital grocers, we introduced SAP to 49 Four Square stores. We also moved 20 Lower North Island stores across to our Cheeky Charlie system, which means all our stores not on SAP are now using the same system to manage tickets, inventory, receipts and orders.

Local excellence.

Congratulations to Four Square Murupara, Four Square Edmund Road and Four Square Aramoho, who all won Supreme Awards in their Regional Business Awards.



12,000 products, one supplier. As New Zealand's largest supplier of wholesale food and beverages, Gilmours is here to help Foodservice businesses grow by being the Foodservice Partner they trust, providing excellent service and always having what our customers need.

Gilmours

Our brands.

Gilmours is the fastest growing banner at Foodies right now. It is up significantly in Foodservice sales compared to this time last year.

Online on the way up.

Gilmours Online has grown by 37% year-on-year.

Hearing directly from customers.

In a first for Foodies, we combined Net Promoter Scores (NPS) with our customer relationship management platform. This means if a customer orders through Gilmours Online, they'll now get an NPS email inviting them to share their feedback on how we're doing. We are now hearing from 18% of our active Gilmours Online customers directly each month with both positive and actionable feedback.

Kia ora Gilmours Tauranga.

We proudly opened our new Gilmours Tauranga store in May 2018 in the high profile Tauriko development. At this store we rolled out our first master class designed to educate and inspire our Foodservice customers.

Live Chat.

In another first, Gilmours launched Live Chat in March 2019. This means our customers can now ask any question and get an instant response to help them while they're ordering on Gilmours Online. This two-way feedback channel has helped us support customers and drive further growth in Gilmours Online.

Targeted campaigns seeing results.

We're tailoring our Gilmours digital communications with offers relevant to

our customers' businesses. After our most recent campaign targeted cafes and fast food, sales grew significantly year-on-year.

Did you know?

Gilmours sold enough flour in FY19 to make 80 scones for every New Zealander.

Each year Gilmours sells a lot of packs of 5kg beef mince – in fact, it weighs as much as 125 Mini Coopers.

Kiwis love their tomato sauce, so it's no surprise the amount we sold to Foodservice customers weighed as much as 148 elephants.



**Liquorland is one of
New Zealand's most
successful, sustainable
liquor operations.**



Our brands.

FY19 was another big year for Liquorland as it marked the second year of our five-year strategic plan. We are now “match fit” and building strong platforms for growth.

Strong financial performance.

Same store revenue growth is ahead of last year. The majority of that growth is via transaction count increases and the balance via average basket value growth. Store margin is also ahead of last year. At a category level the growth has been driven by focusing on the premium end of each key category with the winners being gin, both premium and pink, premium whisky and vodka-based premixed drinks, particularly in the “better for me” segment.

Net Promoter Score over 80%.

We have almost completed a full 12 months of customer satisfaction measurement and pleasingly have a satisfaction rating that puts us in the upper quartile performance in New Zealand. We achieved a Net Promoter Score of over 80% with customers calling out service, friendliness and our people as the key aspects of their satisfaction. Our business reporting process is now leading the traditional liquor sector and providing clear data

to each of our franchisees on how each category is performing, growth drivers and how they compare to the rest of Liquorland. Our digital marketing strategy is now embedded into our marketing and merchandise plans and making a real impact.

Going digital.

Our new digital mailer launched in September. We now receive over 160,000 monthly page views which is a significant increase from the previous format. Our electronic direct mail programme is achieving an open rate higher than retail industry average and we grew all of our email database member numbers. Our Liquorland Toast website continues to be a great advantage for us, increasing readership strongly compared to 2017. We are excited by the potential of our digital footprint and the relevance this gives us versus our competitors. We remain very focused in this area.

Liquorland’s Finest.

We also implemented Liquorland’s Finest, our own wine judging programme, led by Jim Harre, to help customers find award winning wines which are different from

their usual choices, backed with a money back guarantee.

More stores across New Zealand.

We now have 116 stores nationally, up from 110 stores last year with another eight stores to be opened by June 2019. We opened three new greenfield sites this year; one each in Auckland, Wellington and Christchurch. We remain focused on filling our network gaps by opening new stores or converting existing stores to fit our needs. This is a key growth initiative for us and while it remains high on our priority, we have had to make some tough calls on operators not acting in the best interests of Liquorland and exited two franchisees this year totalling six stores.

Working alongside the National Alcohol Working Group.

Along with Foodstuffs North and South Island, we executed the second year of key trading period promotions organised by the National Alcohol Working Group (NAWG). This has proven to be a fantastic programme for all retail banners in Foodstuffs, with growth of the NAWG programme six times that of total alcohol sales.





We are Foodies and we are an unbeatable customer driven team of over 22,000 New Zealanders. Our people make our business what it is. That's everyone from our Owner Operators, Supply Chain team, Support Centre and national teams. Not to mention all the amazing people instore who keep our shelves stocked, our online orders filled, our checkouts running, our croissants baked, our seafood fresh... and everything in between that our customers need.

Our people.

There is nothing more important than making sure our people get home safe every day.

Strengthening our focus on wellbeing.

In FY19 we broadened our focus from traditional health and safety to the safety and wellbeing of our team members.

Our wellbeing strategy has four focuses: physical, environmental, financial and mental wellbeing. We've done a lot of work in the past year to make sure we are set up to be able to help the business recognise issues, respond and connect people to the expert advice or support they need.

Tackling the tough issues.

Keeping our people safe and ensuring we have an environment that supports wellbeing means we have to be courageous in tackling the complex issues. This year we've made good progress by tackling issues such as how to manage mental health, traffic management and responding to legislative changes in the management of hazardous substances. We've developed resources within the Support Centre to help our stores and Supply Chain sites to manage these issues.

Domestic Violence Support Policy.

We are working with organisations like White Ribbon and the Women's Refuge so we can support our people who are experiencing domestic violence. We launched a new Domestic Violence Support Policy that covers safety provisions for people affected by domestic violence, as well as training and support available for leaders.

Bullying, Harassment and Discrimination Prevention Policy.

At Foodies we won't stand for any kind of bullying behaviour. To support this, we launched a new Bullying, Harassment and Discrimination Prevention Policy which provides guidance on what our people can do if they are experiencing bullying, harassment or discrimination.

Making sure safety is always part of the conversation.

We are now seeing safety as part of the conversation, every single day. The Foodies Executive Leadership team meets for a daily heartbeat meeting and always includes a safety conversation.

We have active safety working groups across our Support Centre and Supply Chain and these teams are doing a great job of championing the needs of their workmates.

To make sure our people are armed with the information to keep themselves and their workmates safe, we offered new safety and wellbeing courses through our Learning Academy.

Tertiary ACC accreditation.

We are building momentum in safer day-to-day operations across the Co-op and enhancing a positive safety culture. It's been a great year of consolidation of our focus of safer people, systems and workplaces. Our efforts have been recognised in our recent ACC audit and being moved up to tertiary level again. This means our workplace meets the highest level of ACC standards for safety systems and injury management of our injured workers.



Foodies Foundation.

The Foodies Foundation is helping people in times of need.

In May 2018 we launched our Foodies Foundation, a central hub of help for our Foodies whanau in times of need. It's all about us recognising that we're part of a big Foodies family and sometimes our people are thrown a curve ball in life and need support.

At its launch we raised an incredible \$167,000 to kick start the Foundation. Since then multiple fundraisers have happened and through the amazing support of our people and some generous external friends, we have raised over \$400,000 to support our people.

Already we have been able to support 33 employees across our stores, Support Centre and Supply Chain, giving \$139,000 to help in a wide range of stressful and traumatic situations.

Passionate Foodies Foundation Trustees.

The Foodies Foundation is governed by six trustees (internal Foodies from across our stores, Support Centre and Supply Chain) who meet regularly to review requests and help drive awareness and engagement.

"It's been very moving and immensely rewarding to see how our Foodies Foundation has helped our whanau in times of need. No one is expecting to lose their home in a fire, be diagnosed with a terminal illness or lose a loved one in a car accident but being able to offer immediate financial support with a message of love from all of us has helped our people get through some of their darkest days."

"We've had a phenomenal show of support from across our stores, Support Centre and Supply Chain to raise money and awareness for the Foundation and many of our external partners too have jumped on board. We know the Foundation is meeting an important need in our Co-op and it's created a real sense of pride, belonging and community among our people."

—Ewan Atherton, Foodies Foundation Chair

Here's what some of our supported Foodies had to say...

"The aroha you have shown to me and my family will never be forgotten."

"I'd like to convey my sincerest appreciation for your assistance. I can only say thank you so much and I'm proud to work for such a caring and generous company."

"It brings you to tears to hear of something so tragic happening to your team and then again when such a wonderful foundation jumps in to help at a horrific time like this."

"My wife and I would like to say a big thank you for your wonderful gesture of help. This has helped enormously during this difficult time. We think the Foundation is a wonderful idea and is a great way to support our people. Thank you from the bottom of our hearts."



We are focused on making sure every single person on our team has what they need to unleash their own potential. To deliver the best customer experiences, our people need the best development opportunities. Our programmes are designed to give our people the skills and confidence to support our business now and into the future and to help our people to become leaders worth following.

In the 2018 calendar year.

1287

attended our 245 short courses.

11

Trainee Operators were approved to go into their first supermarkets.

Congratulations to our 2018 graduates and Excellence Award winners.

Every year hundreds of students are invited to celebrate graduation from their apprenticeships, retail, leadership and management programmes. During the graduation ceremony we heard from inspiring students who have completed the programmes and presented all the graduates with their certificate on stage in front of their loved ones.

Our annual Excellence Awards kicked off the same evening to celebrate the talent who have excelled in our apprenticeship, retail, leadership and management programmes as well as our Values Award winners, newly approved Owner Operators, Checkout Operator and Bakers of the Year.

260

people graduated from one of our training programmes.

385

people participated in our leadership and management programmes.

"The Foodies values go to the core of who we are as an organisation. Everyone can relate to them, we call each other out on them and we live by them. For our team the values help us to make the accounting side of things easier for Members, we want to take the finance worries away from them so Members can focus on their customers. We are all faced with challenges with the pace of change, but the key is to remain positive, think of better ways of tackling problems, communicating our concerns in a positive way and supporting each other."

—Joan Verhoeven, Members Accounting Manager, Commercial Operations & Overall Values Winner 2018.

140

were enrolled in butchery apprenticeships.



Brand new Food Safety and Customer Service online modules were launched for new starters in stores.

150

were enrolled in bakery apprenticeships.

2

Two FoodiesX (Leaders Day) events were held for Support Centre leaders and Members to build leaders worth following.



Programmes & initiatives.

A world-class Trainee Operator Programme.

Changes to the world of retailing, customer needs and the fast pace of our industry have transformed the way our stores operate. We recognise the speed and impact of this change and have committed to developing our new generation of grocers who thrive in this volatile and competitive environment.

In FY19 ten new people joined the Trainee Operator Programme. We also welcomed 32 new people to become Four Square Operators, through our new Four Square Owner Operator selection process.

Leadership Contract.

In February 2019, we launched the Leadership Contract initiative for all our Support Centre and Supply Chain people leaders. This initiative will be made available to store leadership teams from late 2019.

The Leadership Contract is a comprehensive training programme that focuses on what it takes to be a leader, stepping up to that obligation and being part of a community of leaders committed to setting the bar high for themselves, our Co-op and our communities.

This is a research-based global leadership development initiative run by North American leadership experts Lee Hecht Harrison to help leaders be effective through unprecedented times of change and ambiguity.



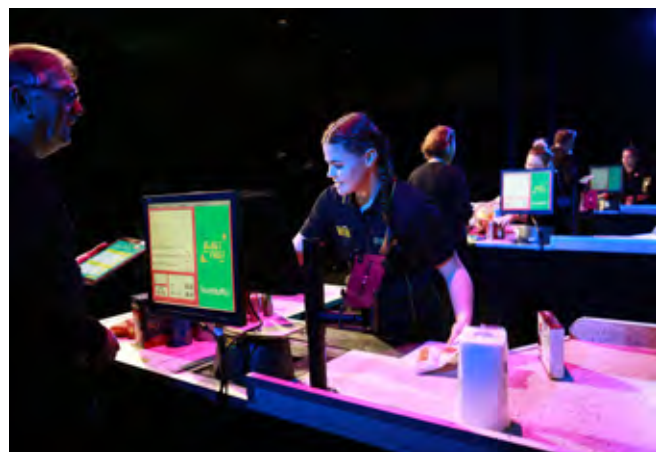
Checker of the Year.

Our annual Checker of the Year competition celebrated 70 years and it was better, brighter and louder than ever!

With more than 130 PAK'nSAVE, New World and Four Square stores participating and over 700 team members competing for the top spot, there was plenty of healthy competition and even some hardcore dance-offs across our ten regional events.

Checker is an opportunity for our talented checkout teams to put their skills to the test by providing a great customer experience as well as accurately and efficiently processing a transaction.

Rebecca Brosnan from New World Matamata took out the title of Checker of the Year for 2018 after winning her regional event and acing the mystery shop visits that followed.



Our new home.

Getting ready for our new home at The Landing, Auckland Airport.

We've made a lot of progress on the build of our new Ambient Distribution Centre (ADC) and Support Centre at The Landing, Auckland Airport. Things are on track to move our teams to the new space between late 2020 and early 2021.

The new Distribution Centre (DC) will combine all our Upper North Island ambient DC operations into one place. It will be large enough to meet our long-term needs and one of the biggest in New Zealand. It will be future-ready with space for us to grow, flexible enough for changes in technology and purpose-built to seamlessly integrate transport and DC operations. The new ADC will include one of the largest solar farms in New Zealand, supplying a significant amount of the power that will be required to run the ADC and Support Centre building during daylight hours.

The new Support Centre is being designed and built to replace our Roma Road Support Centre with a modern, agile and productive office space.

FY19 progress.

Construction for the new ADC is underway and contractors for the build and fitout of the Support Centre have been appointed by Auckland International Airport Limited. To lead the ADC programme, Eric Raulet will join Foodstuffs in April 2019. Eric's role will have a key focus on transitioning our DC operations to The Landing.

The building of the Support Centre will begin in May 2019. An integrated delivery programme has commenced, under the leadership of Project Director Annette Holt.

The design plans of the Support Centre were approved in late 2018. The new office will deliver activity-based workspaces for employees over two levels. The ground floor of the building will be a dynamic space with a demonstration kitchen, Foodies minimart, a Members' lounge and a multi-purpose conference and training centre.



We are Foodies.

Roma Road sale.

In November 2018 the Board approved the unconditional sale and leaseback of 58-60 Roma Road.

New ways of working.

To prepare for the move to The Landing, the Roma Road Support Centre teams have moved to a new flexi-style of working. This means people work in a more digital and collaborative way and no longer have a fixed desk. This change in working style is a key part of ensuring our teams are ready for a new Activity Based Working (ABW) environment at The Landing.





**Behind every
great store are
our hardworking
Supply Chain,
Support Centre,
Foodstuffs
Own Brands
and Foodstuffs
New Zealand
teams.**

Supply Chain.

In June 2018 we welcomed Jonathan Box as our new GM Supply Chain. Jonathan's background is in operations, marketing, sales, supply chain and business transformation, with close to 30 years' experience at Nestlé.

Supply Chain has refreshed its strategy to become a customer driven and digitally enabled Supply Chain through an end-to-end Journey to Zero. Journey to Zero is about Supply Chain's drive for zero misses across five areas – safety, service, quality, efficiency, and environment. It's enabled by integrated systems and processes and fit-for-purpose infrastructure.

FY19 highlights.

We changed how we capture and measure service from DC to store so it better reflects what our store teams are experiencing

Extended peak season deliveries so stores can open with full shelves

Brought our freight forwarding partner into our office to speed up import clearance. This reduces the lead time from overseas suppliers to improve instore availability

Moved chicken and seafood cross docks from CTD Nesdale to the Fresh DC extension to improve service and create more capacity at CTD Nesdale. This means improved accuracy and delivery of orders for stores

Brought new suppliers into our DC network, including Fonterra and Nestlé

Introduced a new Warehouse Management System (WMS) in Rotorua and CTD Nesdale to provide efficient, low cost and quality services to stores

Completed the Fresh DC extension to futureproof this site, drive more produce sales and safely deliver during peak periods

Moved the Wiri DC to Dalgety Drive, with brand new processes in preparation for the new ADC.

Transport team highlights.

Brought in our new transport management system for the team to efficiently handle more than 4,000 deliveries every week

Introduced in-cab cameras to monitor road safety

Set up the new Taranaki transport depot

Approved a trial of electric delivery vehicles in our transport fleet

Continued fleet replacement and vehicle refreshments

Kept our five-star rating in the fleet's Operator Rating System with NZTA. This reflects a high standard of compliance, safety and processes.

Did you know?

Our DC teams picked and despatched 2.4m cartons during Christmas week (up 6% year-on-year).

Every week our transport teams make 4,000 deliveries across the North Island.

Support Centre.

It has been a big year for our Support Centre as teams have made courageous changes and simplified and improved the way they support stores to deliver on their brand promises for New Zealanders.

New Membership & Property team.

On 1 October 2018, Lindsay Rowles took on the role of GM Membership & Property where he brought together our previous Retail and Property business units into a single Membership & Property team.

The team is responsible for partnering with stores to support them in delivery of the very best customer experiences, providing retailing specialist expertise and supporting the overall growth of all our Retail brands. To deliver on these responsibilities the team changed its structure in March 2019 to make sure teams are grouped together in a way that makes sense for customers and the business.

Merchandise.

The Merchandise team has had a successful year offering up new customer driven products for stores and making significant progress on using customer insights and data to drive decisions.

Key highlights include:

Expanded meal solutions from Simply Dinner to great quality pizzas, sushi and free range hot chickens in the Deli, providing our customers with ready to cook, ready to heat and ready to eat options

Launched Produce instore ordering app to help Produce teams drive efficiency in ordering

Grew private and controlled label nappy share from 30% two years ago to 73% this year

Launched Pams Finest range of cheese, cured meats, antipasto and duck – from the first butterflied duck in the market to the yummy Peking glaze

Delivered third year of a reduction in cost of goods sold, reaching our cumulative target of \$35 million per annum

Launched the supplier portal to enable suppliers to easily align on promotional activity

Reset the Seafood strategy to get ready for the next phase of growth

Growth in virtual cards and electronic gift cards year-on-year.

Information Technology.

There has been significant progress in the digital capabilities across stores and in our Support Centre and DCs.

Key highlights include:

New e-commerce platform for Gilmours

New World and PAK'nSAVE online shopping websites, while continuing to bring the I Shop New World app to stores across the North Island

A successful SAP technical upgrade on time and on budget

Moved Rotorua and CTD Nesdale DCs onto the new Warehouse Management System (WMS)

Shifted all of our Support Centre and DCs to 'Living in the Clouds', a new way of working with Office 365 before our move to the new building.

Chief Information Officer Peter Muggleston left Foodies in November 2018. Simon Kennedy will take on the role of Chief Digital Officer in April 2019. He joins us from Air New Zealand, where he was CIO since 2017.

Wholesale.

There has been significant progress in the Wholesale team's digital transformation with the launch of the new Gilmours Online e-commerce platform and understanding our Wholesale customers' businesses to become an even stronger, trusted partner. For more information see page 33.

Commercial Operations.

In Commercial Operations, we've been focused on evolving how Members are supported through new technology (such as robotic process automation) and leveraging the data and simplification opportunities from SAP in our stores. Finding ways for processing tasks to be done effectively and efficiently will mean we can redeploy our people to work on higher value activities.

People & Capability.

People & Capability had another successful year with continued improvements to our training and development programmes, a step-change in Foodies events and the launch of a new leadership framework called the Leadership Contract. There was also the in-house recruitment of three new General Managers and an increased focus on internal mobility to ensure our talented Foodies team members get the opportunity to move to new roles across the Co-op. For more information see pages 42-45.

Strategy & New Ventures.

Our Strategy & New Ventures team completed another successful refresh of the Foodies strategy with comprehensive input from the Board, Executive Team and members of the Banner Representation Groups. The team also kicked off Foodies' customer driven transformation, which has set the foundation for our business to become one of the most customer driven retailers in the world.

Legal.

Our Legal team has a critical role in guiding the Co-op through change and growth and had another very successful year. The Legal team's approach is to guide the Co-op through early engagement with all stakeholders, problem solving, education, judgement, compliance, advocacy and good governance. The team helps the Co-op manage its legal risk so our brands remain strong and protected.

Foodstuffs Own Brands Limited.

Four years ago, we started looking at Private Label as a competitive advantage and driving growth through a relentless focus on product quality and innovation, buying leverage, branding and labelling development. As a result our range, product costs, brands and labels look very different now.

Record Private Label growth.

FY19 has bolstered Private Label's positive track record, with year-on-year growth of 8% nationally. We've also enjoyed a per unit increase in profitability at store. This outstanding growth has resulted in some challenges in stock availability, forecasting and supplier performance and the retail execution of new products. This is a high priority for Foodstuffs Own Brands Limited (FOBL) in the year ahead.

New GM.

With the resignation of Rod Gibson as GM FOBL in March 2019, Lisa Oldershaw (previously New World Banner Manager) has been appointed to lead FOBL and we look forward to her experience, leadership and passion taking private label to the next level in FY20 and beyond.



Foodstuffs New Zealand.

Foodstuffs New Zealand has been on an exciting journey over the past 12 months, with a change in leadership and structure setting up the team to take on the future. After seven years, our GM Marketing Steve Bayliss left the business in July 2018 having built an award-winning crew and remarkable success for Foodstuffs New Zealand and our iconic brands.

Dominic Quin has since taken over the reins as GM Marketing & Customer Experience and quickly recalibrated the team's capability. The intent is to embrace a customer driven strategy – better acknowledging customer needs and expectations and setting up the business and brands to deliver these.

The Corporate Social Responsibility and External Relations team has been extended, resulting in some exciting and positive conversations and a more targeted approach to corporate responsibility.

We continue to advocate for better visibility of how legislation impacts the business, and our Sustainability team is going from strength to strength exploring how to reduce our environmental footprint at scale, all while remaining a profitable business.

Digital and customer-led programmes.

Digital communications and customer-led programmes are starting to roll out alongside refreshed Enjoy Better positioning for New World, which dials up the fantastic service and product promise from this beloved brand.

PAK'nSAVE is delivering strongly for customers seeking ways to manage their household budgets – consistently beating the competition and showing healthy growth and sustainable margins. A light

is also being shone on Four Square – the supermarket that's always there wherever you are.

Significant investment in uncovering customer and shopper insights is paying dividends as we're better able to address customer needs.



Colmar Brunton – Corporate Reputation Index 2019 New Zealand

2nd place.
PAK'nSAVE

9th place.
New World

Advertising

Brand Axis.
PAK'nSAVE "Stickman"
–for the most creative Brand Campaign in New Zealand over five years

Research Association Effectiveness Awards

Research Now Supreme Award.

Gold, Consumer Services.
New World Fresh Collective

Perception Sustained Success.

Infotools Innovation Award.

Direct Marketing Awards

Sticky Club

Channel Gold.
CRM Multi-Channel

Channel Bronze.
Customer Experience

New World Direct

Craft Bronze.
Excellence in Data Strategy

Beer & Cider Awards:
"Would you rather"

Channel Gold.
Campaign website

Industry Silver.
Retail and e-commerce

Points Swap

Channel Silver.
CRM Multi-Channel

Channel Silver.
Email Marketing

Other

Reader's Digest

Quality Service Award Gold.
Loyalty Card, New World

Quality Service Awards.
Liquorland

Trusted Brands, Supermarkets.
Winner. PAK'nSAVE
Highly Commended. New World

Roy Morgan

Supermarket of the Year.
PAK'nSAVE

ECCA

E-Vehicle Champion of the Year Award.

**Making sure
New Zealanders
get more out of
life goes way
beyond our day
to day operations.
We're committed
to giving back
to New Zealand
every day.**

This year we shared a raft of initiatives for the first time in the Sustainability Snapshot 2019.

The snapshot focused on three key sustainability pillars: people, community and the planet. The Sustainability Snapshot outlines where we are now as a Co-op and where we aim to be by 2023.

From here, we're developing a Corporate Social Responsibility strategy which will better direct our ability to harness the good work already being done.

Sustainability and social responsibility highlights.



Successful exit of single-use plastic bags from the checkout.



Pledged 100% of our private label packaging and instore being reusable, recyclable or compostable by 2025.



Impressive reductions in waste heading to landfill with many stores diverting more than 90%.



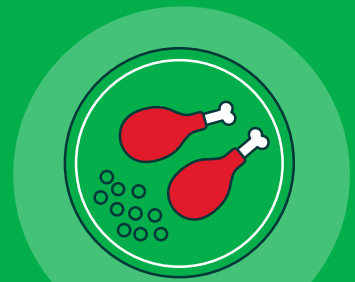
Success in another round of Government funding to extend fast charging stations for electric vehicles, which will see more than 70 store-based chargers live by the end of 2019.



Private label reformulation reducing sugar, sodium and fat alongside the continuing success of the Food for Thought programme.



Three electric logistics vehicles to be shared between the North Island and South Island.



6.1 million meals donated to local food banks nationwide.



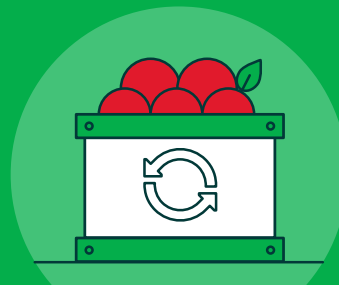
Banned plastic stemmed cotton buds and plastic applicator tampons, and reviewed other single-use plastic.



Successful nationwide launch of alcohol responsibility campaign, 'Always Graze When You Liaise'.



More than \$3 million contributed to programmes such as the Foodies Foundation, Eat My Lunch, Starship and thousands of sports teams, groups and projects.



Migration of produce to recyclable options.

The new Government has a focus on reforming employment-related law and in line with its election promise, progressed an Employment Relations Amendment Bill. We submitted on several aspects and were pleased the resulting Act allows individual employers to opt out of multi-employer agreements on reasonable grounds.

We also supported legislation to give greater support to employees affected by domestic violence, including leave to deal with its effects. We made a submission for the Holidays Act Review, recommending a move to an accrual system where holiday leave entitlements would be calculated in hours rather than weeks.





Report of the independent auditor on the Consolidated Financial Statements – Condensed Version

To the shareholders of Foodstuffs North Island Limited

The consolidated financial statements – condensed version (summary financial statements) comprise:

- the consolidated statement of financial position as at 31 March 2019;
- the consolidated statement of comprehensive income for the 52 weeks then ended;
- the consolidated statement of changes in equity for the 52 weeks then ended;
- the consolidated statement of cash flows for the 52 weeks then ended; and
- the notes to the consolidated financial statements – condensed version, which include a summary of significant accounting policies.

Our opinion

The summary financial statements are derived from the audited consolidated financial statements of Foodstuffs North Island Limited, including its subsidiaries (the Group) for the 52 weeks ended 31 March 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary financial statements

The summary financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 19 June 2019.

Information other than the summary financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the summary financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the summary financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand
T: +64 9 355 8000, F: +64 9 355 8001, pwc.co.nz*



Responsibilities of the Directors for the summary financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Our firm provides the whistle blower hotline and carries out advisory services for the Group in the areas of tax, treasury and corporate finance. The provision of these other services has not impaired our independence as auditor of the Group.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants
19 June 2019

Auckland

Consolidated Statement of Comprehensive Income.

For the 52 weeks ended 31 March 2019

	Notes	2019 \$ '000	2018 \$ '000
Revenues	2	3,331,705	6,902,805
Cost of sales		(2,577,508)	(6,164,628)
Gross profit		754,197	738,177
Other income		3,121	4,575
Operating expenses		(532,851)	(530,719)
Gain/(loss) on disposal of property, plant and equipment		65,313	(1,679)
Operating profit		289,780	210,354
Finance income		7,898	8,133
Finance costs		(51,683)	(54,011)
Net finance costs		(43,785)	(45,878)
Share of profit/(loss) from Associates and Joint Ventures		2,396	950
Profit before distribution to Members		248,391	165,426
Distribution to Members	3	(139,249)	(140,334)
Profit before income tax		109,142	25,092
Income tax expense		(12,953)	(5,823)
Profit for the period attributable to Members		96,189	19,269
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of hedging reserves net of tax		(6,883)	(1,752)
Items that may not be reclassified subsequently to profit or loss:			
Changes in fair value of other financial assets		1,867	(6,224)
Total other comprehensive loss		(5,016)	(7,976)
Total comprehensive income for the period attributable to Members		91,173	11,293

Items in Other Comprehensive Income are disclosed net of tax.

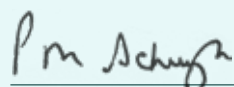
Consolidated Statement of Comprehensive Income.

As at 31 March 2019

	Notes	2019 \$ '000	2018 \$ '000
ASSETS			
Non-current assets			
Property, plant and equipment		1,852,936	1,835,202
Intangible assets		226,116	228,515
Investments in associates	4	1,827	1,857
Investments in joint ventures	4	8,157	8,443
Other financial assets		43,569	41,702
Total non-current assets		2,132,605	2,115,719
Current assets			
Cash and cash equivalents		33,629	22,507
Trade and other receivables		409,224	368,213
Inventories		155,129	159,503
Related party receivables	4	79,574	83,268
Assets held for sale		—	300
Derivative financial instruments		—	146
Total current assets		677,556	633,937
Total assets		2,810,161	2,749,656
EQUITY			
Capital and reserves attributable to equity holders			
Share capital		132,573	132,573
Other financial asset revaluation reserve		(47,675)	(49,542)
Hedging reserve		(23,826)	(16,943)
Retained earnings		813,664	720,034
Total equity		874,736	786,122
LIABILITIES			
Non-current liabilities			
Liabilities to Members		490,826	466,865
Borrowings		443,000	508,900
Deferred tax liability		112,279	120,011
Derivative financial instruments		32,233	23,314
Other liabilities		2,764	2,238
Total non-current liabilities		1,081,102	1,121,328
Current liabilities			
Liabilities to Members		96,272	83,892
Borrowings		145,000	120,000
Trade and other payables		584,816	611,482
Payable of cash distribution to Members	3	8,738	12,643
Income taxation payable		6,144	372
Derivative financial instruments		1,181	2,671
Related party payables	4	12,172	11,146
Total current liabilities		854,323	842,206
Total liabilities		1,935,425	1,963,534
Total equity and liabilities		2,810,161	2,749,656



Chairman



Director
19 June 2019

Consolidated Statement of Changes in Equity.

For the 52 weeks ended 31 March 2019

	Share capital \$ '000	Other reserves \$ '000	Hedging reserve \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 2 April 2017	132,573	(43,318)	(15,191)	700,765	774,829
Profit for the period	—	—	—	19,269	19,269
Other comprehensive income					
Changes in fair value of other financial assets	—	(6,224)	—	—	(6,224)
Changes in fair value of hedging reserves net of tax	—	—	(1,752)	—	(1,752)
Total other comprehensive loss	—	(6,224)	(1,752)	—	(7,976)
Balance at 1 April 2018	132,573	(49,542)	(16,943)	720,034	786,122
Profit for the period	—	—	—	96,189	96,189
Constellation Drive equity adjustment	—	—	—	(1,136)	(1,136)
Prior period adjustment (tax)	—	—	—	(1,423)	(1,423)
Other comprehensive income					
Changes in fair value of other financial assets	—	1,867	—	—	1,867
Changes in fair value of hedging reserves net of tax	—	—	(6,883)	—	(6,883)
Total other comprehensive income/(loss)	—	1,867	(6,883)	—	(5,016)
Balance at 31 March 2019	132,573	(47,675)	(23,826)	813,644	874,736

Consolidated Statement of Cash Flows.

For the 52 weeks ended 31 March 2019

	2019 \$ '000	2018 \$ '000
Cash flows from operating activities		
Cash receipts from customers	3,287,788	6,940,951
Cash paid to suppliers and employees	(2,977,211)	(6,587,690)
Cash generated from operations	310,577	353,261
Interest received	5,553	5,060
Interest paid	(25,019)	(23,483)
Net GST paid	(54,562)	(55,090)
Net income tax paid	(13,671)	(11,798)
Net cash generated from operating activities	222,878	267,950
Cash flows from investing activities		
Purchase of property, plant and equipment	(115,322)	(118,271)
Proceeds from sale of property, plant and equipment	103,128	20,185
Purchase of intangible assets	(36,704)	(31,039)
Disposal/(acquisition) of Associates and Joint Ventures	—	(2,300)
Dividends received from Joint Ventures	2,613	—
Advances to Associates	(200)	—
Dividends received from other investments	3,121	4,575
Advances to Members	(195,332)	(214,696)
Repayment of advances to Members	195,864	184,719
Repayment from Associates	4,267	3,604
Repayment from other related companies	1,203	16,653
Net cash used in investing activities	(37,362)	(136,569)
Cash flows from financing activities		
Proceeds from borrowings	268,000	333,900
Repayment of borrowings	(308,900)	(306,000)
Rebate investment vouchers paid	(58,138)	(54,881)
Deferred rebate vouchers paid	(11,938)	(11,938)
Interest paid on rebate investment/deferred rebate vouchers	(23,943)	(22,156)
Cash rebates paid	(39,475)	(68,264)
Net cash used in financing activities	(174,394)	(129,339)
Net increase in cash and cash equivalents	11,122	2,042
Cash and cash equivalents at beginning of period	22,507	20,465
Cash and cash equivalents at end of period	33,629	22,507

Notes to the Consolidated Financial Statements.

1. Policies

(a) Basis of preparation

The summary financial statements are those of Foodstuffs North Island Limited (the 'Company' or the 'Parent Company'), its subsidiaries and associates (the 'Group' or 'Foodstuffs'). Foodstuffs North Island Limited has designated itself and the Group as profit oriented entities for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). They have been prepared in accordance with Financial Reporting Standards No. 43 "Summary Financial Statements" and have been extracted from full financial statements that comply with NZ IFRS.

For a complete understanding of the financial affairs of the Group, the full financial statements are available for shareholders on request.

(b) Accounting periods

The Group has a weekly operating cycle ending on Sunday night. The annual accounting period follows this cycle. The 2019 accounting period presented consists of 52 weeks to 31 March 2019 (2018: 52 weeks to 1 April 2018).

2. Revenues

	2019	2018
	\$ '000	\$ '000
Sale of goods	2,863,771	6,450,892
Service income	48,392	41,631
Rental income	144,298	147,901
Freight income	52,984	51,191
Services to Members	130,410	124,082
Co-operative income	74,725	70,676
Miscellaneous income	17,125	16,432
Total revenues	3,331,705	6,902,805

The Group adopted NZ IFRS 15 Revenue from Contracts with Customers for the first time on 2 April 2018. Although the Group did not identify any significant changes in the timing of revenue recognition as a result of the adoption of NZ IFRS 15, following a detailed analysis of the agency vs principal rules, the Group identified instances where revenue is now recognised at the net amount of the related expenses, and not gross as it would previously have been reported. This results in a decrease in both revenue and expenses, with no impact on net profit. Additionally, the Group identified instances of income previously presented as "other income" that needed to be reclassified to "revenue" within the Statement of Comprehensive Income. The table below shows the amount by which each financial statement line item is affected in the current and prior year by NZ IFRS 15 as compared to NZ IAS 18 and the related interpretations that were in effect before the change.

Notes to the Consolidated Financial Statements Continued.

	2019	2018
	\$ '000	\$ '000
NZ IAS 18		
Sale of goods	6,573,866	6,450,892
Service income	48,392	41,631
Rental income	144,298	147,901
Total revenues	6,766,556	6,640,424
Adjustments		
Other income reclassified as revenue:		
Freight income	52,984	51,191
Services to Members	130,410	124,082
Co-operative income	74,725	70,676
Miscellaneous income	17,124	16,432
Other income	275,243	262,381
Total revenues after other income reclassification	7,041,799	6,902,805
Expenses offset against sales:		
Expenses offset against sales of goods relating to charge through income	(3,710,094)	—
Cost of sales	(3,710,094)	—
NZ IFRS 15	3,331,705	6,902,805

Charge through income includes income earned from the sale of goods where the Group acts as an agent under NZ IFRS 15.

3. Distributions to Members

The total distribution for the period is made up as follows:

	2019	2018
	\$ '000	\$ '000
Cash rebates payable	8,738	12,643
Cash rebates paid	26,832	27,620
Deferred rebate vouchers (DRVs)	103,679	100,071
Distributions to Members before interest	139,249	140,334
Interest on deferred rebate vouchers	29,058	30,091
Total distributions to Members	168,307	170,425

These balances and transactions are with related parties (refer note 4).

Notes to the Consolidated Financial Statements Continued.

4. Related party transactions

(a) Transactions with related parties

Foodstuffs North Island Limited operates as a co-operative and predominantly trades with Members. On a Group level, approximately \$3,363,908,000 (2018: \$6,746,593,000) of revenue represents sales to and rental from Members.

In the ordinary course of business the Group bears charges for the shared activities undertaken by its associated companies and related parties and incurs direct costs which are recovered from them. The net charges from associated companies were \$18,991,586 (2018: \$20,813,900). Net charges from related parties were \$98,982 (2018: \$634,600). These charges are recognised as part of related party receivables and payables in the Statement of Financial Position and cost of sales, other income, operating expenses and finance income and expenses in the Statement of Comprehensive Income.

There have been no transactions with directors outside trading in the normal course of business in their capacity as Members, other than directors fees. Total directors fees paid and payable for the current year end amount to \$921,041 (2018: \$926,712).

(b) Outstanding balances at balance date with related parties

The Parent company advances funds to subsidiaries, Members and associate companies in the normal course of business at commercial lending rates. All loans are secured and repayable on demand. At 31 March 2019 a reserve against future recoverability of Member loans of \$ nil (2018: \$ nil) was held.

	2019 \$ '000	2018 \$ '000
Loans to Members	65,890	67,536
Loans to Associates	1,205	3,045
Receivable from other related companies	12,479	12,687
Related party receivables	79,574	83,268

Included in trade debtors for the Group is \$320,800,000 (2018: \$296,398,000) arising from Member purchases.

Other related parties represent balances owing from Foodstuffs Auckland Provident Fund Limited, Foodstuffs (N.Z.) Limited and Modern Merchants Limited.

	2019 \$ '000	2018 \$ '000
Payable to Associates	176	145
Payable to other related companies	11,996	11,001
Related party payables	12,172	11,146

Loans to Members are due within one year and the rate of interest is determined over the period at the floating rate existing at that time except where alternative arrangements have been made. The average floating rate at balance date was 4.5% (2018: 4.4%).

Other related parties represent balances owing to Modern Merchants Limited, Foodstuffs (N.Z.) Limited and Foodstuffs Inbound Limited. Twelve Directors of the Company are also store owners and as such may receive loans under the same terms and conditions as other loans to Members. At balance date, these amounted to \$ nil (2018: \$ nil).

Notes to the Consolidated Financial Statements Continued.

(c) Guarantees

	2019	2018
	\$ '000	\$ '000
Guarantees for Members' bank loans	507,960	467,768

The Group acts as a guarantor for a number of Members' bank loans. The Group is obligated under the guarantee to make the loan payments in the event the Member defaults on a loan agreement. The Group generally holds first debenture security over the assets and prudently manages exposures. Based on the application of the expected credit loss model under NZ IFRS 9, no amount has been included in the financial statements in relation to these guarantees as no guarantees are expected to be called.

(d) Fair values

The carrying values of balances receivable or payable are approximately their fair value.

(e) Investment in subsidiaries

The Group's principal subsidiaries are:

	Business activity	Share of issued capital and voting rights	
		2019	2018
Equity Funding Limited	Investment	100%	100%
Foodstuffs (Auckland) Nominees Limited	Investment	100%	100%
Foodstuffs (Auckland) Systems & Technology Leasing Limited	Leasing	100%	100%
Foodstuffs Finance (Auckland) Limited	Funding	100%	100%
Foodstuffs Fresh (Auckland) Limited	Distribution	100%	100%
Merchant Property Management Limited	Property management	100%	100%
Foodstuffs North Island Transport Limited	Transport	100%	100%
The National Trading Company of New Zealand Limited	Retail property	100%	100%
Foodstuffs Properties (Wellington) Limited	Retail property	100%	100%
Wai Iti Developments Limited	Investment	100%	100%
Wardell Bros. & Coy Limited	Investment	100%	100%
Gilmours Wholesale Limited	Wholesaling	100%	100%

Notes to the Consolidated Financial Statements Continued.

(f) Investment in Associates and Joint Ventures

The Group's principal Associates and Joint Ventures are:

	Reporting date	Business activity	Share of issued capital and voting rights	
			2019	2018
Foodstuffs (N.Z.) Limited	28 February	Brand management	50%	50%
Foodstuffs Liquor New Zealand Limited	31 March	Retail	67%	67%
Foodstuffs Own Brands Limited	31 March	Procurement	50%	50%
Foodstuffs Inbound Limited	31 March	Transport	50%	50%
Eat My Lunch Limited	31 August	Catering Service	26.05%	26.05%

All Associate and Joint Venture companies are incorporated and domiciled in New Zealand which is their principal place of business. At balance date all the above companies are considered joint ventures.

Associates are entities over which the Group has significant influence to participate in the financial and operating policy decisions of the associate, but does not have control or joint control over these policies.

Joint Ventures are entities over which the Group has significant influence to participate in the financial and operating policy decisions of the joint venture and has joint control over these policies.

	2019	2018
	\$ '000	\$ '000
Interests in Associates		
Carrying value at beginning of period	1,857	9
Acquisition/(Disposal/Sale) of shares in Associates	—	2,000
Advances to Associates	200	—
Group's share of Associate's profit/(loss)	(230)	(152)
Carrying value at end of period	1,827	1,857

	2019	2018
	\$ '000	\$ '000
Interests in Joint Ventures		
Carrying value at beginning of period	8,443	7,664
Acquisition/(Disposal/Sale) of shares in Joint Venture	(300)	300
Group's share of Joint Venture's profit/(loss)	2,627	1,103
Dividends declared	(2,613)	(624)
Carrying value at end of period	8,157	8,443

	2019	2018
	\$ '000	\$ '000
Results of Associates and Joint Ventures		
Share of profit before income tax	3,252	1,597
Income tax	(856)	(647)
Share of profit from Associates and Joint Ventures	2,396	950

Notes to the Consolidated Financial Statements Continued.

The Group's share of the results of its principal Associates and Joint Ventures, all of which are unlisted, and its aggregated assets, liabilities and revenues are as follows:

	Assets	Liabilities	Revenues	Profit
	\$ '000	\$ '000	\$ '000	\$ '000
2019	20,117	10,351	67,826	2,396
2018	21,324	14,149	43,230	950

5. Subsequent events

A Foodstuffs North Island Limited subsidiary has signed a conditional Sale and Purchase Agreement (SPA) relating to the acquisition of certain businesses and assets.

We expect that the SPA is highly likely to become unconditional and if this occurs, these businesses and assets will be purchased for NZD \$87.4 million. This purchase price may increase if certain put options and tag along rights are exercised by certain third parties under the terms of the SPA.



Our Board of Directors.

Dean Waddell (Chair)



PAK'nSAVE Cameron Road

Appointed to the Board in 2013, Dean is a third-generation grocer who began working in the family supermarket, New World Brookfield, at age 13. He left to study at Massey University, graduating with a Bachelor of Business Studies before returning to work at New World Brookfield. Dean became a Member in 1992 when he purchased New World Brookfield and moved to his current business, PAK'nSAVE Cameron Road, in 2013. Dean and his wife Julie have three children.

Rob Redwood



PAK'nSAVE Glen Innes

Appointed to the Board in 2004, Rob was a teenager when he started part-time work at his local Four Square. In 1987 he received a Scholarship Award and became a Member by purchasing a Cut Price store in Taumarunui, which was later converted to a Four Square. He moved to New World Hillcrest before purchasing New World Eastridge in 1995 and took ownership of PAK'nSAVE Glen Innes in 2014. Rob and his wife Jackie have four children.

Craig McKeown



PAK'nSAVE Sylvia Park

Appointed to the Board in 2014, Craig was chosen as the pilot Operator for the conversion of Gilmours stores to owner operated. Craig was the Owner Operator of Gilmours North Shore for more than six years, before taking ownership of PAK'nSAVE Sylvia Park in August 2015. Prior to joining Foodies Craig held senior management positions in a number of large retail organisations throughout Australasia. Craig has an MBA from Auckland University and a Masters of Enterprise from Melbourne University. He and his wife Kathryn have one child.

Malcolm Boyd



New World Hillcrest

Malcolm studied at the University of Waikato, the Australian Graduate School of Management and Massey University Business School. In 2007 he purchased his first store, New World Morrinsville, and in March 2017 took ownership of New World Hillcrest. Malcolm was Chair of the New World Committee and is currently a Board member for Boyds Asparagus Industries Limited. Before Foodies Malcolm was a business owner, held governance positions and senior roles in finance, strategy and project management, and is a Chartered Accountant. He is married to Angela and they have three children.

Rob McGregor



PAK'nSAVE Papamoa

Rob McGregor began his career working at New World Te Kuiti, in his father's store. He graduated from Waikato University with a Bachelor of Computer Studies and applied this knowledge to develop computer programmes for the business. In 1995 Rob purchased New World Hillcrest, before moving to Auckland and purchasing the newly built New World Victoria Park. In 2010 Rob opened the newly built PAK'nSAVE Papamoa where he is Owner Operator today. Rob sat on the New World Committee for a number of years, including as Chair. He is also a Director on the Ruel Foundation.

Brendon Jones



New World Howick

Appointed to the Board in 2018, Brendon began his career at Foodies in 2001 at Write Price Wanganui and in 2005 took ownership of New World Gonville. In 2007 he opened the brand new New World Wanganui, before moving to New World Howick in 2014. Brendon is a Director on the Eat My Lunch Board. He is married to Kate and they have two children.

Sarah Aston



New World Milford

Sarah was appointed to the Board in 2018. She joined the co-operative as the Owner of Four Square Oneroa in 2008. Prior to joining Foodies, she held several senior business roles at Coopers and Lybrand (now PwC) and Telecom New Zealand (now Spark) including the Programme Lead of an operational capability development programme and Head of the 1200-strong Customer Care Team. Sarah became the Owner of her current store, New World Milford, in 2010. Sarah is also a Board Member of the Milford Business Association and was the Chair of Laura's

Angels (a fundraising committee for the Laura Fergusson Trust). She holds a Bachelor of Physical Education, a Bachelor of Commerce (Accountancy) and is a Chartered Accountant. Sarah and her husband Grant have two children.

Karl Marryatt



PAK'nSAVE Kapiti

Appointed to the Board in 2014, Karl has spent his entire working career in supermarkets and the retail sector. He became a Member in 2004 with the purchase of New World Naenae, which he owned and operated for three years before purchasing New World Railway Metro in central Wellington. In June 2018 Karl took ownership of PAK'nSAVE Kapiti. Karl is married to Caroline and they have two children.

Peter Schuyt



Independent Director

Independent Director Peter has held senior executive roles in finance and strategy areas at the New Zealand Dairy Board, Fonterra and NZ Post Group. Peter is on the Board and chairs the Audit & Risk Committees of Tatua Dairy Company, Alliance Group and Dairy NZ, is a Board member and chairs the Audit Committee of TSB Bank and is currently Chair of Tax Management NZ Ltd. Peter holds a Bachelor of Commerce in Accounting and Economics from Canterbury University. Peter and his wife Tracey have five children.

Sir Henry van der Heyden



Independent Director

Independent Director Sir Henry has served in dairy industry governance roles for over 25 years. He is currently Chair of Rabobank New Zealand Limited, Rabobank Australia Limited, Tainui Group Holdings, Maxwell Farms Limited and Manuka S.A. Limited. He is also a Director on the Board of Pascaro Investments. Sir Henry holds a Bachelor of Engineering with Honours from Canterbury University. He is married to Jocelyn and they have four children.

Jane Freeman



Independent Director

Independent Director Jane has held senior marketing and general management positions at Telecom, ASB, Bank Direct and Clear Communications, and is currently a Director of Kiwi Property Group. She has previously held board positions with ASB, Delegats Group, Pumpkin Patch (Chair), Air New Zealand, St George Bank NZ, Albert Street Dental, Publicis Groupe NZ, Sheffield and SKYCITY Entertainment Group. Jane has a Bachelor of Commerce in Marketing from the University of Auckland. She and her husband Chris have three children.

Our executive team.

Chris Quin



CEO

Chris joined Foodies as CEO in September 2015 with 28 years' experience in leadership roles. His most recent position was CEO of the Home, Business and Mobile division of Spark NZ (previously Telecom NZ). Prior to that he formed the successful IT services business Gen-i (within Telecom) by merging three businesses. In 2010, he received a Sir Peter Blake Leadership Award for his leadership achievements and contribution to the community, which include being Chair of The Icehouse business growth organisation. Chris has

a Bachelor of Commerce and Accounting from Victoria University and completed the Stanford Graduate School of Business executive programme.

Peter Muggleston



Chief Information Officer

Peter joined in 2012 as Chief Information Officer at Foodstuffs Auckland and became Chief Information Officer at Foodstuffs North Island in 2013. He was named New Zealand's CIO of the Year in 2015. Before Foodies, Peter worked internationally with Shell Oil then returned to New Zealand and took on senior roles at ASB. He later joined Sovereign as Chief Information Officer. Peter has an MBA from Otago University and has degrees in Commerce and Science from the University of Auckland. *Peter left Foodies in November 2018. He will be replaced by Simon Kennedy in April 2019.*

Mike Brooker



General Counsel & Company Secretary

Mike joined us in 2009 as GM Legal at Foodstuffs Auckland and was appointed to the role of General Counsel & Company Secretary at Foodstuffs North Island in 2013. Prior to Foodies, Mike was a Partner at DLA Piper where he had a broad commercial practice, including acting for a number of franchised businesses, of which Foodies was the largest. Mike was 2015 Private Sector In-house Lawyer of the Year. He studied at the University of Auckland and gained a Bachelor of Laws and a Masters of Commercial Law.

Jo Allan



Chief Financial Officer

Jo joined Foodies as Chief Financial Officer in January 2017 and brings more than 20 years' Fast Moving Consumer Goods (FMCG) finance and leadership experience to the table. She has held senior finance, strategy, leadership and transformation roles for a number of leading companies including Frucor, Danone, Fonterra, Tegel and Lion. She is also an engineer and has a Bachelor of Engineering (Mechanical) and is a CPA.

Catherine Tardif



GM Strategy & New Ventures

Catherine arrived at Foodstuffs Auckland in May 2013 as Manager Strategy & New Ventures and was appointed to the role of GM Strategy & New Ventures in July 2016. Before Foodies, she was Senior Manager Corporate Development for Thomas Cook Group in the UK and held senior investment banking roles at Citi and PwC. Catherine has an MBA from the London Business School, a Bachelor of Finance from Université Laval in Quebec, Canada, and is a CFA charter holder.

Wendy Hammonds



GM People & Capability

Wendy became GM People & Capability in March 2016. With more than 15 years' experience in developing talent and leading people, Wendy is passionate about driving cultural change and strong employee engagement in large organisations. Prior to Foodies, she led the HR team for the retail business unit within Spark that looks after home and small business customers. She also worked for Westpac, AMP Banking and Bendon, following ten years in the UK.

Lindsay Rowles



GM Membership & Property

Lindsay joined Foodstuffs North Island in May 2016 as GM Property. In September 2018, Lindsay took on a new role on the Leadership Team as GM Membership & Property. Prior to joining Foodies, Lindsay spent eight years at Woolworths Australia, where he held various leadership roles in their property group. Most recently as Group Property Operations Manager – North, he had responsibility for the development and execution of their national network strategy plan and their property strategy. Before Woolworths,

Lindsay worked for ALDI for eight years, establishing and operating the ALDI retail brand in New South Wales, then as Property Director responsible for store network development in Victoria. He graduated from Deakin University with degrees in Commerce and Law.

Gemma McBeath



GM Wholesale

Gemma joined Foodies in November 2017. Before joining our team, she ran a transformation programme for the MediaWorks Executive team. Prior to this she was at Spark for 15 years in a variety of start-up, operation and transformation roles across various leadership teams. Gemma's passion is delivery, transformation and digital change.

David Stewart



GM Merchandise

David joined in 2010 as Chief Financial Officer at Foodstuffs Auckland and became Chief Financial Officer at Foodstuffs North Island in 2013, then GM Merchandise in 2016. Before Foodies, David worked in Europe in senior finance roles at France Telecom, Orange and PwC then returned to New Zealand to work at Yellow Pages as Chief Financial Officer. Named New Zealand's CFO of the Year for 2015, David is a Chartered Accountant and has a Bachelor of Commerce and a Postgraduate Diploma in Commerce from the University of Auckland and is a graduate of the Stanford School of Business Executive Program.

Jonathan Box



GM Supply Chain

Jonathan was appointed GM Supply Chain in June 2018. Prior to this he spent almost 30 years with Nestlé around the world before Fonterra brought him to New Zealand. He has extensive leadership experience in Operations, Marketing, Sales, Supply Chain and Business Transformation across a broad range of product categories and countries. Jonathan holds a Bachelor of Science from King's College London and is a graduate of the Programme for Executive Development at IMD in Lausanne.

Serving our Co-op.

**A big thank
you to all these
people and
organisations
for their huge
contributions
to the Co-op
this year. Our
Co-op spirit is
alive and well.**

Protection and Perpetuation Trustees.

Tony Carter (Chair)
Stuart Irons
Richard Reilly
John Street
Martin Wiseman
Murray Jordan
Hugh Perrett*

Audit, Risk & Compliance Committee.

Peter Schuyt (Chair)
Dean Waddell
Malcolm Boyd
Rob McGregor
Sarah Aston
Joe Vegar*

Succession, Remuneration & Nomination Committee.

Dean Waddell (Chair)
Jane Freeman
Henry van der Heyden
Craig McKeown

IT Governance Committee.

Peter Schuyt (Chair)
Jane Freeman
Rob McGregor
Brendon Jones
Karl Marryatt*

Operator Development & Approval Committee.

Robert Redwood (Chair)
Karl Marryatt
Malcolm Boyd
Brendon Good
Quintin Proctor
Chris Quin (Chief Executive Officer)
Wendy Hammonds (GM People
& Capability)
Lindsay Rowles (GM Membership
& Property)

PAK'nSAVE Banner Representation Group.

Ewan Atherton (Chair)
Dean Galt

Our people.

Quintin Proctor
Vinod Bhaga
Lance Gerlach
Craig McKeown (Board Rep)
Gareth Jones*
Rob McGregor*

New World Banner Representation Group.

Brendon Good (Chair)
Richard Lucas
Rob Dowman
John Gray
Brendon Jones (Board Rep)
Sarah Aston (Board Rep)
Kym Samuels
Amanda Elliot
Malcolm Boyd*
Karl Marryatt*
Gary Baker*

Four Square Banner Representation Group.

Peter Jones (Chair)
Bruce Jenkins
Tim Jackson
Satish Parmar
Chris Martin
Joe Dodd
Brad Walker
Kirk Mander
Rob McGregor (Board Rep)
Vivek Bangia*
Mike Anderson*
Michael Jago*
Mahendra Patel*
Paul Blackwell (Board Rep)*

Gilmours Banner Representation Group.

John Horwood (Chair)
Rob Redwood (Board Rep)
Aaron Kedzlie
Jason Morrissey
Peter Blackwell
Matt Humphrey
Hamish McIntosh
Dayne Riddell

* Stepped down during the year

Bankers.

ASB Bank Limited
Bank of New Zealand
MUFG Bank Limited (formerly Bank
of Tokyo-Mitsubishi RFJ Limited)
Commonwealth Bank of Australia
Industrial and Commercial Bank of China
(New Zealand) Limited
Westpac New Zealand Limited

External Auditors.

PricewaterhouseCoopers

Internal Auditors.

Ernst & Young

Solicitors.

DLA Piper
Ellis Gould
Hudson Gavin Martin
SBM Legal



Registered office.
Foodstuffs North Island Limited
Suite 1, 60 Roma Road
Mount Roskill, Auckland 1041
New Zealand.

