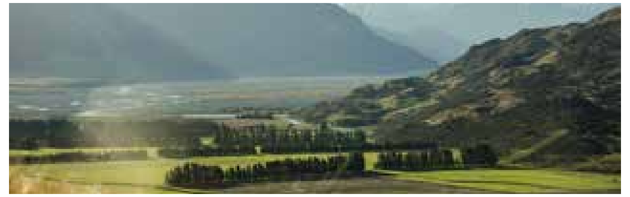
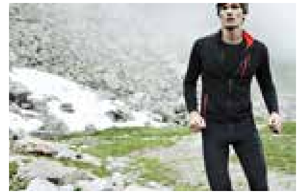







NEW ZEALAND MERINO

2016 ANNUAL REPORT

CONTENTS

CHAIRMAN'S REPORT

The New Zealand Merino Company (NZM) is a dynamic company committed to the vision of becoming the world's premium wool company.

This is the future we are dedicated to make happen by both necessity and choice.

At home, the last three decades have seen sheep numbers dropping by more than a third. This requires driving up value to compensate for falling volume.

Abroad, the UK has voted to exit the European Union prompting the New York Times to observe that "The lasting damage may be to old ways of thinking".

The Directors and team at NZM are dedicated to new ways of thinking.

New ways to enhance our value proposition to market partners, new ways to secure competitive and price advantage for our suppliers, and new ways to enhance our business performance and results as a company.

I am pleased to report a net profit after tax result of $2.7 million which represents an 18% increase on last year.

The debt to total assets ratio has dropped to 33%, and this year a dividend will again be declared in line with our policy of returning 50% of the year end profit to our shareholders. The dividend of $1.36 million will be paid to shareholders on 28 October 2016 and represents a return of 38.3% on the current share price.

All three financial indicators show the company to be in excellent business health, and we are encouraged by the increased interest from growers in purchasing NZM shares in recent times.

The strategic anchor of the business is to unlock the merino and sheep industry's potential and the value that we seek to capture over the next three years planning period will come from innovative approaches to branded contracts for merino and mid-micron wool, creating new market segments for strong wool, and making attractive margins for specialty meats.

With an eye on the longer term we are pushing for dividends from production science and embarking on a new Primary Growth Partnership, W^3, aptly termed Wool Unleashed which is designed to secure increased revenue and profitability for strong wool growers.

Our business history is as a disruptor so we relish the current climate. We are in the hunt for new growth opportunities leveraging our business model.

Our competitive advantage continues to be honed by our championship of the agri-business bootcamps at Stanford University and collaboration with like-minded premium plays to create valuable new market segments.

In Stanford language we need to be an "ambidextrous" organisation capable of both exploration and exploitation.

Translated for NZM that means a continuous search for new value propositions, and a proven ability to turn the opportunities discovered into value for grower, market partner and company alike.

John Brakenridge, our CEO, is recognised by both his peers and his Board as a leader of consequence for agri-business as a whole and for NZM in particular.

John and his talented team continue to perform on many fronts; innovating new contracts such as with Reda, pushing production science, cleverly matching clips with exacting demand and securing wins for both growers and market partners, showcasing the authenticity and integrity of the supply chain, nailing budgets, and being an exemplar for a premium business model that delights clients and customers.

I have become persuaded of the value of what a New Zealand governance consultant, Dr Denis Mowbray, calls the Third Team. His insight is into how Boards best influence the executive and how together the overall organisational performance is lifted. High performance is advanced by the combination of synergy, trust and confidence.

It is a delight to chair a Board where the Directors' combined knowledge, judgement and influence is brought to bear in our interaction with the executive and as a consequence has resulted in an effective Third Team.

Ross Ivey, who Chairs the Human Resources Committee, brings both diligence and skill to the table and has had a major influence on team motivation and performance.

Susan Peterson, as Chair of the Risk and Finance Committee, has ensured that NZM is setting and meeting high standards of audit and accountability and is undertaking the proactive management of risk.

The ability to also deploy in addition the talents of Ben Todhunter, Matanuku Mahuika and Bill Sutherland across the business of the Board and Committees makes for governance bench strength of the highest order.

My thanks to Directors and the NZM team alike – I am proud and pleased to be able to work with you to advance the NZM cause.

Ruth Richardson
CHAIRMAN

Ruth Richardson, Ross Ivey, Susan Peterson, Bill Sutherland, John Brakenridge (CEO), Ben Todhunter, Matanuku Mahuika.

CEO'S REPORT

Our history is steeped in the traditions of high country farming; responding to challenges, building for the future generations and pushing the boundaries.

The growers and stakeholders who have been integral to NZM's success have recognised the value of community, have sought collaboration with other growers and throughout the value chain, and have been steadfast in their belief that for their industry to prosper, investment in future markets is imperative.

The future will throw us many more challenges. The 'snapshot' of activity to follow provides you an appreciation of how our value proposition to the market is resulting in value creation for NZM and our grower suppliers.

In order to deliver on our intent of being the world's premium wool company, NZM must first have a strong commercial base. An immediate assessment of NZM as a business is as follows.

Financial Performance

The company had a strong year, recording a net profit after tax of $2.7 million for the year, an 18% improvement on last year, which represents a return of 23% on average shareholders' funds. Our balance sheet also continues to strengthen with shareholders' funds now representing 67% of total assets. This balance sheet strength not only enables us to pay you, the shareholder, a dividend but enables us to strengthen our market and innovation activities.

Business Challenges

Key as a business is staying relevant to growers and markets.

NZM's grower suppliers have helped us understand the challenges and opportunities they see; profitability and sustainability, removal of volatility, productivity gains, awareness of and protection from reputational attacks, knowledge of markets and ability to respond, and attracting the talent and resources to fuel thriving communities.

We have established reference and grower groups to facilitate this in the interests of further elevating the service and value we deliver.

We seek the same insights from our brand partners, to shape our market interface. These include; emotional connection with end users, insights that inform strategy, protection from reputational attacks, fast response to demand, streamlining supply chains, competitive positioning, and integration of digital and physical worlds.

Business Opportunities

The global disruption of value chains and innovation on-farm and in-market create an abundance of opportunity for NZM.

Strength in both bales of wool transacted, and our Primary Growth Partnership initiatives, NZSTX and W^3, provide a framework for seizing these opportunities.

Effective investment around the challenges, innovative contracts, reputation management, new products and new markets for wool and understanding the relevance of our value in market enables us to attract, enhance and retain growers and brand partners alike.

Strategic Intent

In 2013, the Board set the goal of doubling the value of the business within three years. This, by way of measurement of enterprise value, has been achieved. Similar targets are now being set for the next three years.

Achieving these targets will require us to consider 'ways to grow'; from investing and building our core business, which remains wool centric with merino at its heart, to evolutionary growth in adjacent and complementary areas such as strong wool and meat. Advancement of our fortunes via primary sector collaboration will continue to be an integral part of all these growth paths.

Summary

Our approach remains consistent.

As New Zealand and Australia grapple with the extreme volatility that is a consequence of our heavy dependence on commodities, the New Zealand merino industry is seen as an exemplar as we endeavour to work collaboratively to establish a value based model.

Growers recognise the importance of working together, forming a commercial company, driving unique value propositions, being leaders in sustainability and connecting through to end consumer brands.

NZM continues to demonstrate tenacity and innovation as it seeks higher returns and less volatility.

John B.

John Brakenridge
CHIEF EXECUTIVE OFFICER

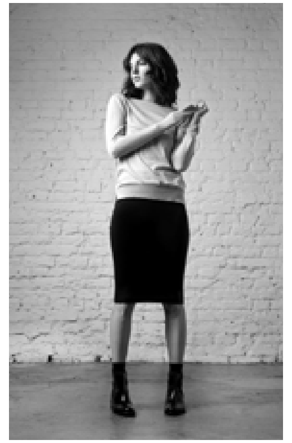
Smartwool

Aclima

Swanndri

Rapha

Allbirds



John Smedley

Mokopuna

Smartwool

Reda Rewoolution

Loro Piana

Shearing

Godfrey Hirst

The Rocks

Icebreaker

Glerups

Icebreaker

Designer Textiles International

SNAPSHOT 2015/16

Never before has NZM's value proposition to the market been so relevant, nor has the expertise of the team been deployed to a fuller extent in ensuring our offering resonates.

Through investment in marketing and innovation, NZM and growers are strongly investing for the future of our wool industry, with this investment each year significantly exceeding the 4% marketing and innovation fee collected.

With our increased supply base, NZM is now gaining the critical mass to take our next leap forward, including the potential to base resource in key markets off shore.

Insight work has uncovered the way top end American consumers think, feel and act. These insights and broader market trends are informing the way NZM creates value.

A new Responsible Wool Sourcing standard for apparel brands has heightened global awareness of the need for credible wool supply. ZQ Merino is currently the only offering that can deliver to this standard however the challenge remains to stay ahead of the curve. The ZQ accreditation manual has been updated to better reflect the leadership of NZM grower suppliers.

Scrutiny is not exclusive to animal welfare. Microplastics, small synthetic particles that work their way from apparel and other products into our waterways and food sources, are the next big risk compromising not only the environment but personal health.

Health and wellness increasingly equate to happiness and we are well poised to capture the benefit of the natural fibre movement we anticipate. The acceleration of change requires rapid adaptation to harness opportunities as they arise.

Luxury and Specialised Markets

(Fine / Super fine wool)

As luxury brands measure their value chain partners on factors other than quality and price we have been able to convert opportunity into contracts.

A five-year Reda contract for fine wool is testament to the value of NZM's collaborative approach. It is pleasing to see the partnership with Reda result in long-term contract volume and value and the reputation of ZQ Merino enhanced in new territories for fine wool with the likes of the Allbirds Wool Runner, launched in March.

Allbirds' launch is a timely reminder that further innovation in merino is not only possible but there are new categories yet to be imagined.

The spillover benefit of the Reda contract has been significant with Vitale Barberis Canonico, Cariaggi and Loro Piana all looking to secure fibre.

Speed to market remains imperative as the fashion sector and users of fine wool demand access to quality product for immediate delivery.

The Wool Vault partnership with Schneider was introduced to serve this need and cater to sub 14 micron wools.

It has been some time since we had the coverage in fine wool opportunities that we do today.

In order to drive further demand for new contracts, or for value chain partners' products, focus has been applied to building the global credibility and awareness of the ZQ brand. This has been a dual approach: in-market and on-farm.

In-market, the ZQ Merino voice has been amplified.

On-farm initiatives such as the Sensing Wellbeing project, life cycle assessments, shearing best practice, FeetFirst and pesticide use best practice, have boosted the substance behind ZQ Merino, ensuring its premium position is well substantiated.

New business with Nishikawa, Joe Merino and Kering Group brands and contract renewals with Cariaggi, John Smedley, and NIKKE are a result of the continued investment in ZQ Merino.

Active Outdoor and Lifestyle

Competition for brand partners such as Icebreaker, Smartwool, Ibex and Designer Textiles International (DTI) is intense, as is competition for NZM as fibre suppliers. Having created the category alongside our brand partners almost 20 years ago, we continue to work harder than ever to maintain our leadership position.

Our anchors in serving the needs of these brands remain; firstly, in the delivery of exceptional services to our existing brand partners. Secondly, in the amplification of ZQ Merino's voice as the champion for ethical wool on a global stage in support of these partners and to attract new business. Thirdly, investment in value chain partnerships and innovation, as points of market access, that will serve us well in the face of heightened competition.

An extension of our brand partners' teams.

In an age of 'hyper-transparency' the curation of digital content that resonates with end users has been important. Bringing to life the unique aspects of merino farming, the people and environment for end users who are increasingly disconnected from the origin of 'things' plays to NZM's talented creative and marketing team's expertise.

There is no substitute for time in market and brand partners have capitalised on NZM's market interface by having us educate and inspire their sales forces as to the benefits of New Zealand merino.

Merino in the active outdoors segment is maturing and our brand and value chain partners are increasingly looking to innovation to fuel their growth. Fibre blends remain a major driver of innovation, and extending the use of merino beyond the niche of winter outdoor apparel to the emerging athleisure and luxury sportswear markets.

NZM has partnered with Wool Industry Research Limited (WIRL) and the Auckland Institute of Biotechnology to model the effects of various fibre blends on fabric performance and benefits.

In the future, we may see novel blends reshape the way wool can be used and a significant broadening of scope in terms of applications. For example, new brand partner Aclima have been awarded for their micromesh innovation.

Where we anticipate opportunities as a result of major shifts in end user behaviour or public consciousness we are rapidly establishing the resources required by our brand partners to capitalise on these. We have been working in the area of Life Cycle Assessment (LCA) for some time, providing concrete information around merino's environmental performance. This work is now being extended to understand merino's aquatic degradation potential, allowing us to adapt the ZQ Merino value proposition to appeal to those brands looking for alternatives to synthetics.

Likewise, work has begun to explore the apparel-skin interaction with the intent that research outcomes allow us to advocate the health and wellness benefits of ZQ Merino.

Value chain partnerships

Value chain partners such as DTI, Levana Textiles, Global Merino, Nester Hosiery, Suedwolle, Woolyarns, Cariaggi, Charguers, and Schneider provide important market access to emerging brand partners.

The NZM team continues to support our value chain partners with their sell-in to new potential partners and their service of those that are purchasing ZQ Merino fabric, yarn or top. These channels allow us to supply ZQ Merino fibre to brands that may not be of a scale or have the appetite for a direct contract. Examples include DTI and Arc'teryx, and Suedwolle and Aclima.

Interior Textiles

The broadening of NZM's supply base into strong wool has added critical mass to NZM's efforts in business development and the delivery of content and collateral across micron categories.

Increasing bale numbers by working with grower suppliers that are philosophically aligned with NZM in the need to shape markets for their fibre has enabled further investment in market development.

The market approach is similar to that employed in fine wool; select the leaders in existing market categories, in addition to identifying new uses for fibre based on a deep understanding of end-user preferences.

Premium niche contracts have been extended with indoor shoe brand Glerups of Denmark, and Godfrey Hirst with the introduction of their Merino by Feltex collection. Best Wool of Holland, US based Dixie Carpets and Australian brand Prestige Carpets have all signed contracts for fibre supply.

Key to these contracts is the multi-faceted nature of the NZM value proposition which delivers not only quality fibre and wool expertise but a diverse skill set of creative marketers, digital media designers, environmental and textile scientists, value chain specialists and production scientists. NZM's approach in the carpet sector has been received as refreshing and timely.

As in apparel, the sales person is the gatekeeper to a sale. Much effort has been applied to engaging sales teams in the ZQ Premium Wool story and/or giving end users the power of choice via mobile technologies.

Efforts in the strong wool business extension have been supplemented by a Primary Growth Partnership - Wool Unleased (W^3). Transformation in New Zealand's strong wool sector is non-negotiable with over 3,000 sheep lost to our industry every day. Wool Unleashed addresses this in the areas of:

1. Reputation Management and Social License to Operate. Empowering the whole New Zealand sheep industry (including fine-wool growers) to adapt to growing societal demand for more ethical production and greater supply-chain transparency.

2. Crossing the Chasm. The transition from undifferentiated commodity to premium ingredient by way of investment in delivering differentiated value propositions to brands in the traditional market space for strong wool, primarily carpets.

Waka Aotearoa - Design Session, Stanford University, 2016

SILERE French Rack

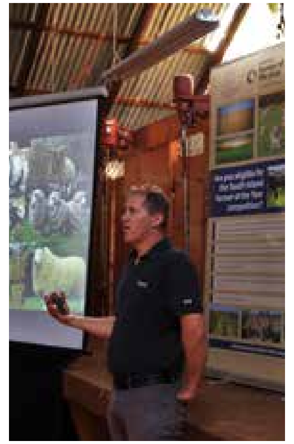
SILERE

Andrew Templeton, The Rocks

Prestige Carpets - The Arc Trade Show, Perth 2016

Godfrey Hirst Yarn, 2016

Foulden Hill, 2016



Mark Ferguson - LUF Farmer of the Year Field Day, Omarama Station, 2016

Your NZM Grower Gateway

2016 Stanford Te Hono Bootcamp

Reda classing day, Earnscleugh 2016

CPT Ewes, Omarama 2016

Demonstration site – Charles Hope.

3. Blue Ocean. The discovery, development and commercialisation of new products and new users of wool in traditional and modified forms.

4. Primary Sector Extension. Using the expertise developed in the Wool Unleashed programme, to create opportunities for future NZM revenue streams.

Appropriately resourcing NZM's strong wool efforts has and will continue to accelerate these activities, delivering greater value to shareholders and suppliers via a stronger team of talent and in-market presence.

Assessment of how best to situate resource in key markets is underway.

Production Science

Our cutting-edge research into the genetics of footrot resistance in fine-wool sheep headlines a suite of research, development and extension projects for the Production Science team. This is made possible by the ongoing commitment of our grower suppliers, the NZSTX Primary Growth Partnership, and Merino New Zealand Incorporated (Merino Inc).

These projects seek solutions to the most pressing concerns of New Zealand sheep farmers – who commit time and money each season to combating them – and global consumers – who are placing increasing emphasis on ethical production and transparency in their purchasing decisions.

FeetFirst and the Central Progeny Test

Given the high cost of footrot to the New Zealand sheep industry each year, FeetFirst research (developing a new genetic test for footrot resistance in fine-wool sheep) is essential for a vibrant and profitable sector. Data generated by the fine-wool central progeny test (CPT), and additional data from individual studs, is validating the test before it is commercialised later in 2016.

FeetFirst research is also confirming the genetic correlations between footrot resistance and other traits, this will ensure the industry will have an effective tool for making balanced ram selection decisions. The new genetic test represents a major breakthrough for New Zealand's fine-wool industry.

The fine-wool CPT is a key resource for FeetFirst; the CPT also enables genetic linkage across the Australasian fine-wool industry and makes it possible to generate estimated breeding values (EBVs) for New Zealand rams. The progeny from the fifth CPT mating will be born this spring, bringing the number of New Zealand rams that have been progeny-tested to 160.

Other Production Science Highlights

- Initiating the New Zealand component of an Australasian lamb survival study evaluating the impact of mob size and density on lamb survival. The initial results demonstrate that by reducing the number of ewes in a given area, farmers can improve lamb survival rates.
- Piloting the new NZM Grower Group initiative, facilitating discussion groups to support growers and build engagement across NZM's grower community. This initiative will be scaled up across NZM's grower network in the coming year.
- Supporting grower uptake of technology and best-practice is helping New Zealand sheep farmers become more productive and profitable. Our focus on genetics, animal health, forage and nutrition is making a real impact on the bottom line of growers.
- Working with ram breeders to improve understanding of EBVs and how to use them. This is an important foundation for the release of the new genetic test for footrot resistance (which is in the form of a breeding value), as well as for improving the New Zealand fine-wool industry's performance across a range of traits that are difficult to measure (such as genetic fat and muscle that have such an important role in ewe and lamb survival).
- Demonstrating successful practice change and the potential of high-performing fine-wool genetics across a range of geographical areas in the South Island. This work will expand next year to include demonstration sites in the North Island.
- Our agronomist, who is retiring this year, has made a considerable contribution providing a forage advisory service and supervising several on-farm forage trials in extensive sheep production systems.

Meat

After a challenging 18 months, Alpine Origin Merino Limited (AOM) has sharpened its in-market focus in the past year.

Fundamental to the programme remains grower commitment to producing quality stock. A real focus of the past twelve months has been on identifying those farmers in a position to supply stock that meets SILERE specification (year round). Working with growers via NZM's Production Science team has improved on-farm performance and coordinated supply so AOM is best positioned to fulfill contract requirements.

Significant investment was made in the SILERE brand refresh on the back of market insight work. This has set SILERE in good stead with respect to it's presence in the premium markets we are targeting.

Advancement through Industry Collaboration

- The New Zealand Primary Sector Bootcamp, which has now evolved to be called Te Hono Movement, was the vision of John Brakenridge, and first facilitated by NZM in 2012.

The movement brings together a diverse alumni of nearly 180 CEOs and leaders who have a deep-seated passion and desire to develop and innovate for transformational change in the New Zealand primary sector and agri-business. The Te Hono Movement's flagship event is based at Stanford University and the alumni represent 80% of New Zealand's primary sector exports, including the largest and most innovative. To date there have been 295 commitments including sector collaborations, pledging of capital for in-market projects, sharing market information, new research relationships, pledging for scholarships and more. Te Hono Movement now resources one full-time and one part-time employee within NZM, funded by their network of private and public stakeholders.

- Team USA is a collaborative insight project aimed at further understanding premium markets and value chains in the USA and developing the tools needed to shift New Zealand from price takers to market shapers.

Justin Ferrell of Stanford University's d.school formed a team of design thinking experts to undertake qualitative research to understand premium end users; their influencers now and in the future, inflection points in their lives, impact of technology on decision-making behaviour, perceptions of New Zealand, values regarding traceability of goods, corporate transparency, food safety (including attitudes towards GMO) and social responsibility.

This information has provided a rich information source on which to position our products most effectively.

- Waka Aotearoa brings together major pastoral producers in a forum akin to Te Hono Movement. Given the rapid rate of change and disruption in established industries (think the supermarket model versus My Food Bag) a collaborative approach is required to unleash the potential of our Primary Sector.

Waka Aotearoa is about gaining insight and understanding the complexities of farming in the future based on shifts in technology, consumer preferences and behaviour, and ensuring that on-farm practices in New Zealand reflect our product's premium position in global markets.

DIRECTORS' STATEMENT

The Directors are responsible for preparing the financial statements and ensuring that they comply with New Zealand generally accepted accounting practice and fairly represent the financial position of the Company as at 30 June 2016 and the results of the operations and cash flows of the Company for the year ended on that date.

The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position and financial performance of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of The New Zealand Merino Company Limited for the year ended 30 June 2016.

For and on behalf of the Board of Directors:

Ruth Richardson
CHAIRMAN
31 August 2016

Susan Peterson
DIRECTOR
31 August 2016

COMPANY DIRECTORY
as at 30 June 2016

Nature of Business	Wool Marketing, Sales and Innovation
Registered Office	Level 2, 114 Wrights Road, Addington, Christchurch
Directors	Ruth Richardson (Chairman) Bill Sutherland Ben Todhunter Ross Ivey Susan Peterson Matanuku Mahuika
Auditors	Deloitte, Christchurch
Bankers	Westpac Banking Corporation, Christchurch
Solicitors	Chapman Tripp, Christchurch
Business Location	Level 2, 114 Wrights Road, Addington, Christchurch

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

2015 $000		NOTE	2016 $000
109,410	Revenue		114,744
(98,428)	Cost of sales		(103,988)
10,982	**Gross profit**		**10,756**
4,064	Other income	1	4,726
(149)	Share of Alpine Origin Merino Limited	10	60
3,915	**Other income**		**4,786**
(432)	Net finance costs	2	(199)
(3,035)	Procurement and selling expenses		(2,928)
(3,479)	Marketing expenses		(3,482)
(1,988)	Innovation expenses		(2,911)
(2,719)	Administrative expenses		(2,795)
(785)	Share based arrangements	23	(555)
(364)	Other expenses	3	(311)
(12,802)	**Expenses**		**(13,181)**
2,095	**Profit before income tax**		**2,361**
194	Income tax income / (expense)	4	351
2,289	**Profit / (loss) after tax**		**2,712**
	Other comprehensive income / (loss)		
	Items that may be reclassified subsequently to profit or loss		
(240)	Gains / (losses) from cash flow hedges		173
67	Income tax relating to other comprehensive income		(48)
(173)			125
2,116	**TOTAL COMPREHENSIVE INCOME**		**2,837**

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

2015		Note	2016
$000			$000
	ASSETS		
	Current assets		
-	Cash and cash equivalents	5	225
3,777	Trade and other receivables	6	7,042
5,576	Inventories	7	2,820
19	Derivative financial instruments	14	48
9,372	**Total current assets**		**10,135**
	Non-current assets		
489	Property, plant and equipment	8	336
100	Investment in Alpine Origin Merino Limited	10	160
1,903	Deferred tax	9	2,216
5,856	Intangible assets and goodwill	11	5,864
11	Derivative financial instruments	14	-
8,359	**Total non-current assets**		**8,576**
17,731	**Total assets**		**18,711**
	LIABILITIES		
	Current liabilities		
119	Bank overdraft	5	-
1,299	Current portion of term loan	13	267
3,725	Trade and other payables	12	3,604
218	Derivative financial instruments	14	58
5,361	**Total current liabilities**		**3,929**

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016 (continued)

2015		Note	2016
$000			$000
	Non-current liabilities		
211	Long term incentive provision	18	370
-	Derivative financial instruments	14	5
1,399	Share based arrangements provision	23	1,949
1,610	**Total non-current liabilities**		**2,324**
6,971	**Total liabilities**		**6,253**
10,760	**Net assets**		**12,458**
	EQUITY		
1,719	Share capital	15	1,725
9,177	Retained earnings	16	10,744
(136)	Cash flow hedge reserve	16	(11)
10,760	**Total equity**		**12,458**

For and on behalf of the Board of Directors, who authorised the issue of the financial report on 31 August 2016.

Ruth Richardson	Susan Peterson
CHAIRMAN	DIRECTOR
31 August 2016	31 August 2016

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

$000

	Note	Share capital	Retained earnings	Cash flow hedge reserve	Total equity
Balance at 1 July 2014		**1,681**	**7,830**	**37**	**9,548**
Profit for the year	16	-	2,289	-	2,289
Other comprehensive income	16	-	-	(173)	(173)
Dividend	24	-	(942)	-	(942)
Share based arrangements	15	38	-	-	38
Balance at 30 June 2015		**1,719**	**9,177**	**(136)**	**10,760**
Balance at 1 July 2015		**1,719**	**9,177**	**(136)**	**10,760**
Profit for the year	16	-	2,712	-	2,712
Other comprehensive income	16	-	-	125	125
Dividend	24	-	(1,145)	-	(1,145)
Share based arrangements	15	6	-	-	6
Balance at 30 June 2016		**1,725**	**10,744**	**(11)**	**12,458**
Carrying amounts					
At 1 July 2014		1,681	7,830	37	9,548
At 30 June 2015		1,719	9,177	(136)	10,760
At 30 June 2016		**1,725**	**10,744**	**(11)**	**12,458**

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

2015 $000		Note	2016 $000
	Net cash from / (used in) operating activities		
	Cash provided from:		
114,835	Receipts from customers		116,153
13	Interest income received	2	37
114,848			116,190
	Cash applied to:		
(113,510)	Payments to suppliers and employees		(113,292)
(445)	Interest paid	2	(236)
(36)	Income tax paid		-
(113,991)			(113,528)
857	**Net operating cash flows**	17	**2,662**
	Net cash from / (used in) investing activities		
	Cash provided from:		
-	Sale of property, plant and equipment		5
100	Return of capital from associate		-
100			5
	Net investing cash flows		
	Cash applied to:		
(62)	Acquisition of intangibles	11	(91)
(94)	Purchase of property, plant and equipment	8	(56)
(156)			(147)
(56)	**Net investing cash flows**		**(142)**

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016 (continued)

2015		Note	2016
$000			$000
	Net cash from / (used in) financing activities		
	Cash applied to:		
(105)	Loan from Merino New Zealand Incorporated		(106)
(926)	Bank loan		(925)
(942)	Dividend	24	(1,145)
(1,973)			(2,176)
(1,973)	**Net financing cash flows**		**(2,176)**
(1,172)	**Net increase / (decrease) in cash balances**		**344**
1,053	**Cash balances at beginning of year**		**(119)**
(119)	**Cash balances / (bank overdraft) at the end of year**		**225**

STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 2016

Reporting Entity

The New Zealand Merino Company Limited (the "Company") is a company domiciled in New Zealand, and is registered under the Companies Act 1993.

The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act. The financial statements of The New Zealand Merino Company Limited are for the year ended 30 June 2016. The financial statements were authorised for issue by the directors on 31 August 2016.

The nature of the operations of the business is wool marketing, sales and innovation.

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to profit-oriented entities.

Measurement Base

The financial statements are prepared on a historical cost basis, except for derivative financial instruments, the long term incentive scheme and share based arrangements, which have been measured at fair value, and inventory which has been measured at the lower of cost and net realisable value.

The financial statements are prepared on a going concern basis.

Presentation Currency

These financial statements are presented in New Zealand dollars, which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand, except when otherwise indicated.

Critical Judgement in Applying Accounting Policies

In the process of applying the Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from direct sources. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following accounting policies and notes:

- Share based arrangements. Refer to policy (u) and Note 23.
- Goodwill impairment assessment. Refer to policy (h) and Note 11.
- Long term incentive provision. Refer to policy (j) and Note 18.

ACCOUNTING POLICIES

Changes in Accounting Policies

There have been no changes to accounting policies during the year.

Adoption of New Standards and Interpretations

In the current year, the Company has adopted all mandatory new and amended standards and interpretations. None of the new and amended standards and interpretations have had a material impact on these financial statements.

We are not aware of any standards in issue but not yet effective which would materially impact the amounts recognised or disclosed in the financial statements, except for the following which management are in the process of investigating - NZIFRS 9, NZIFRS 15 and NZIFRS16.

The following specific accounting policies, which materially affect the measurement of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, have been applied in these financial statements:

(a) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the Statement of Comprehensive Income is calculated as the difference between the net sale price and the carrying amount of the asset.

Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense when incurred.

(b) Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis to allocate the cost of an asset, less any residual value, over its useful life. Depreciation is charged to the Statement of Comprehensive Income.

The estimated useful lives of property, plant and equipment are as follows:

Office equipment	2 – 14 years
Leasehold improvements	5 – 14 years
Information technology assets	2 – 5 years
Plant and equipment	2 – 14 years

The residual value of assets is reassessed annually. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(c) Goodwill Arising on Acquisition

Goodwill arising on acquisition represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired. Goodwill arising on acquisition is stated at cost less accumulated impairment losses.

(d) Non Derivative Financial Instruments

Non derivative financial instruments comprise trade and other receivables, bank overdraft, loans and borrowings, and trade and other payables.

(e) Intangible Assets

Trademarks are stated at cost, and once fully developed are amortised to the Statement of Comprehensive Income on a straight line basis over the useful life applicable to the trademark. Trademarks are reviewed at balance date and expensed to the Statement of Comprehensive Income where they no longer meet the definition of an intangible asset.

Software is stated at cost and amortised to the Statement of Comprehensive Income on a straight line basis over the useful life applicable to the software.

Goodwill is recorded at cost less any impairment losses.

(f) Trade and Other Receivables

Trade and other receivables are measured at amortised cost less any impairment losses.

Collectability of trade and other receivables is reviewed on an ongoing basis.

Individual debts that are known to be uncollectable are written off when identified.

An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment.

(g) Inventories

All inventories of wool are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

Cost is based on actual cost for all wool purchased and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

(h) Impairment

The carrying amounts of the Company's assets, other than inventories, are reviewed at balance date to determine whether there is any objective evidence of impairment. If any such indication exists the assets recoverable amount is estimated. In addition, at least annually, goodwill and intangible assets with indefinite useful lives are tested for impairment by comparing their estimated recoverable amounts with their carrying amounts.

Recoverable amount is the higher of an assets fair value less costs to sell, and value-in-use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

(i) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(j) Employee Entitlements

Employee entitlements related to salaries and wages and annual leave are recognised when they accrue to employees. In determining the estimated liability for employee entitlements, any entitlements due at balance date are recorded as a current liability.

Long term incentive scheme expense and liability are recognised at the fair value of the amount of the future benefit that employees have earned in return for their service in the current and prior periods.

(k) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

(l) Trade and Other Payables

Trade and other payables are stated at amortised cost.

(m) Revenue

Revenue from the sale of goods is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from fees and charges is recognised in the Statement of Comprehensive Income when the transaction has been completed.

External funding is recognised on an accrual basis when it is probable that future economic benefits will flow to the entity (when agreed milestones are met) and the amount of revenue can be measured reliably. External funding which compensates the Company for expenses incurred is recognised in the Statement of Comprehensive Income as other income in the same period in which the expenses are recognised.

(n) Expenses

Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Finance Income and Expenses

Finance income comprises interest income, dividend income, foreign currency gains, and changes in the fair value of financial assets at fair value through the Statement of Comprehensive Income. Interest income is recognised as it accrues using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discounts on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through the Statement of Comprehensive Income and losses on hedging instruments that are recognised in the Statement of Comprehensive Income. All borrowing costs are recognised in the Statement of Comprehensive Income using the effective interest method.

(o) Foreign Currency Transactions

Transactions denominated in foreign currency are translated into New Zealand currency at the spot exchange rate. Amounts receivable and payable in a foreign currency at balance date are translated at the exchange rate at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Income.

(p) Derivative Financial Instruments

The Company uses foreign exchange contracts to hedge its exposure to foreign exchange risks arising from future sales or purchases of goods in foreign currencies. The Company uses interest rate swap contracts to hedge its exposure to interest rate fluctuations. The Company also uses wool futures contracts to hedge its exposure to price risks arising from future sales or purchases of wool.

In accordance with the treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Cash Flow Hedges

Foreign exchange contracts, interest rate swap contracts and wool futures contracts are recognised in the Statement of Financial Position at their fair value. Transaction costs are expensed immediately. Where the foreign exchange contracts, interest rate swap contracts or wool futures contracts are designated as a hedge, the effective portion of changes in the fair value of the instrument is initially recognised in the Cash Flow Hedge Reserve, and subsequently transferred to the Statement of Comprehensive Income at the point at which the sale and associated debtor are recorded. Any ineffective portion of foreign exchange contracts is recognised in the Statement of Comprehensive Income.

(q) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted, or substantively enacted, by the reporting date.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

(r) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

(s) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and short term deposits with an original maturity of three months or less. These are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

(t) Research & Development

All research expenditure is recognised in the Statement of Comprehensive Income as incurred.

Development expenditure is recognised as an asset when it can be demonstrated that the commercialisation of the project will commence. Where development expenditure has been recognised as an asset it is stated at cost and amortised on a straight-line basis over the period of expected benefits. Amortisation begins at the time that commercialisation commences.

All other development expenditure is recognised in the Statement of Comprehensive Income as incurred.

(u) Share Based Arrangements

Equity-settled share-based arrangements with employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of the equity-settled share-based arrangements are set out in Note 23.

The fair value determined at grant date of the equity-settled share based arrangements is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

For cash-settled share-based arrangements, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. The fair value determined at grant date of the cash-settled share based arrangement is expensed over the vesting period. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the Statement of Comprehensive Income for the year.

(v) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of Goods and Services Tax ("GST"). Operating activities represent all transactions and other events that are not investing or financing activities. Investing activities are those activities relating to the acquisition and disposal of investments and any other property, plant and equipment. Financing activities are those activities relating to changes in the equity and debt capital structure of the Company and those activities relating to the cost of servicing the Company's equity capital.

1. OTHER INCOME

2015		2016
$000		$000
2,295	Primary Growth Partnership funding	1,737
1,074	Other external funding	1,111
162	Royalties	519
-	Gain on sale of fixed assets / intangible assets	5
9	Exchange gains	-
524	Other income	1,354
4,064		4,726

2. NET FINANCE COSTS / (INCOME)

2015		2016
$000		$000
445	Interest expense	236
(13)	Interest income	(37)
432		199

3. EXPENSES

2015 $000		2016 $000
	Other expenses	
223	Depreciation	204
117	Amortisation of other intangible assets	83
24	Loss on sale of fixed assets / intangible assets	-
-	Exchange losses	24
364		311
	Personnel expenses (salaries & employer contribution to Kiwisaver included in functional expense categories)	
4,202	Salaries	4,193
785	Share based arrangements	555
211	Long term incentives	159
154	Kiwisaver employer contributions	160
5,352		5,067
	Technical research project costs (included in innovation expenses)	
855	Technical research project costs	1,337

Technical research projects include research into genetic acceleration, animal health, forage production and livestock trials, the validation of the sustainability of farming and processing systems, and research to validate the technical performance of textiles and wool fibre.

4. INCOME TAX

2015 $000		2016 $000
	Income tax (expense) / income	
(11)	Current income tax - Australia	(11)
101	Relating to origination and reversal of temporary differences	302
-	Overseas withholding tax	-
(8)	Adjustments in respect of New Zealand current income tax of previous years	59
112	Adjustments in respect of Australian current income tax of previous years	1
194	Income tax (expense) / income reported in the Statement of Comprehensive Income	351
	Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate	
2,095	Accounting profit before tax from continuing operations	2,361
149	Plus after tax (profit) / loss of associate	(60)
2,244		2,301
(628)	At the statutory income tax rate of 28%	(644)
(11)	Current income tax - Australia	(11)
(8)	Adjustments in respect of New Zealand current income tax of previous years	59
112	Adjustments in respect of Australian current income tax of previous years	1
842	Losses recognised for current years tax	937
140	Change in losses recognised in deferred tax	190
(253)	Permanent differences	(181)
-	Overseas withholding tax	-
194	Aggregate income tax (expense) / income	351

4. INCOME TAX (continued)

Unrecognised temporary difference

The group has tax losses ($000) of $12,672 (2015: $16,232) to carry forward to the 2017 income year.

A deferred tax asset ($000's) of $1,876 is being recognised equal to the residual income tax expected for the 2017 and 2018 income years (2015: $1,686). These taxable profits have been assessed as being probable of occurring, allowing the recovery of the recorded deferred tax asset.

The amount of tax losses are subject to confirmation from the IRD.

2015		2016
$000		$000
	Imputation credit balance	
2,154	Balance at the beginning of the year	1,787
(367)	Dividends paid	(445)
1,787	Balance at the end of the year	1,342

5. CASH AND CASH EQUIVALENTS / BANK OVERDRAFT

2015		2016
$000		$000
(119)	Bank / (Bank overdraft)	225

Overdraft Facility

During the year the Company maintained an overdraft facility of up to ($000) $2,000 and a seasonal funding facility of up to ($000) $10,000 with the Westpac Banking Corporation. At balance date the total facility drawdown was ($000) $0.

The facilities were secured by a General Security Agreement over the assets and undertakings of The New Zealand Merino Company Limited.

6. TRADE AND OTHER RECEIVABLES

2015		2016
$000		$000
3,711	Trade and sundry receivables	6,760
66	Prepayments	282
3,777		7,042

Normal terms of trade for Auction receivables are 11 days after date of Auction, and for Contracts they are 11 days from date of invoice. Other receivables are due 20th of the following month of the invoice. There are no impaired trade and other receivables. The value of foreign currency denominated trade and other receivables is as follows ($000) AUD $560 (NZD $594), USD $75 (NZD $105).

7. INVENTORIES

2015		2016
$000		$000
5,576	Stock of wool	2,820

The cost of inventories recognised as an expense during the year in respect of continuing operations was ($000) $103,988 (2015: $98,428).

The cost of inventories recognised as an expense includes ($000) $27 (2015: $47) in respect of write-downs of inventory to net realisable value.

8. PROPERTY, PLANT AND EQUIPMENT

$000

	Office equipment	Leasehold improvements	Information technology assets	Plant and equipment	Total
Cost and Valuation					
Balance at 1 July 2014	**212**	**154**	**467**	**41**	**874**
Additions	19	-	72	3	94
Disposals	(20)	(1)	(150)	-	(171)
Balance at 30 June 2015	**211**	**153**	**389**	**44**	**797**
Balance at 1 July 2015	211	153	389	44	797
Additions	26	-	22	8	56
Disposals	-	-	-	(6)	(6)
Balance at 30 June 2016	**237**	**153**	**411**	**46**	**847**
Depreciation and impairment losses					
Balance at 1 July 2014	**(67)**	**(31)**	**(152)**	**(6)**	**(256)**
Depreciation for the year	(30)	(16)	(173)	(4)	(223)
Disposals	20	1	150	-	171
Balance at 30 June 2015	**(77)**	**(46)**	**(175)**	**(10)**	**(308)**
Balance at 1 July 2015	(77)	(46)	(175)	(10)	(308)
Depreciation for the year	(40)	(15)	(144)	(5)	(204)
Disposals	-	-	-	1	1
Balance at 30 June 2016	**(117)**	**(61)**	**(319)**	**(14)**	**(511)**
Carrying amounts					
At 1 July 2014	145	123	315	35	618
At 30 June 2015	134	107	214	34	489
At 30 June 2016	**120**	**92**	**92**	**32**	**336**

9. DEFERRED TAX

Movements in deferred tax:

2016 $000	Opening balance	Charged to income	Acquisition / disposal	Charged to other comprehensive income	Closing balance
Gross deferred tax asset					
Employee entitlements	107	101	-	-	208
Livestock adjustment	43	18	-	-	61
Other accrual	14	52	-	-	66
Unused tax losses	1,686	190	-	-	1,876
Derivative financial instruments	53	-	-	(48)	5
Total deferred tax asset	1,903	361	-	(48)	2,216

The deferred tax benefit relating to tax losses carried forward has been recognised based on the financial forecasts for the 2017 and 2018 income tax years.

2015 $000	Opening balance	Charged to income	Acquisition / disposal	Charged to other comprehensive income	Closing balance
Gross deferred tax asset					
Employee entitlements	90	17	-	-	107
Livestock adjustment	87	(44)	-	-	43
Other accrual	34	(20)	-	-	14
Unused tax losses	1,546	140	-	-	1,686
Derivative financial instruments	(14)	-	-	67	53
Total deferred tax asset	1,743	93	-	67	1,903

10. INVESTMENT IN ALPINE ORIGIN MERINO LIMITED

The Company's share of profits in a joint venture Alpine Origin Merino Limited (AOML) (launched October 2012), incorporated in New Zealand, has been equity accounted from that date.

	$000 Total assets	$000 Total liabilities	$000 Revenues	$000 Profit / (loss)
AOML	320	-	380	120
Ownership 50%	160	-	190	60

Movements in carrying value of AOML

2015 $000		2016 $000
349	Balance as at 1 July 2015	100
-	Original investment	-
(100)	Repayment of capital	-
(149)	Share of profit / (loss)	60
100	**Balance as at 30 June 2016**	**160**

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. AOML is jointly owned by the Company (50%), and Silver Fern Farms Limited (50%). AOML is focused on the marketing of fine wool sheep meat.

There are no known risks associated with the investment in AOML as at 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016 (continued)

11. INTANGIBLE ASSETS AND GOODWILL

$000

	Goodwill	Trademarks	Computer software	Total
Cost				
Balance at 1 July 2014	**5,631**	**294**	**227**	**6,152**
Acquisitions	-	20	42	62
Disposals	-	(36)	(112)	(148)
Balance at 30 June 2015	**5,631**	**278**	**157**	**6,066**
Balance at 1 July 2015	5,631	278	157	6,066
Acquisitions	-	25	66	91
Disposals	-	-	-	-
Balance at 30 June 2016	**5,631**	**303**	**223**	**6,157**
Amortisation				
Balance at 1 July 2014	**-**	**(69)**	**(147)**	**(216)**
Amortisation for the year	-	(39)	(78)	(117)
Disposals	-	12	111	123
Balance at 30 June 2015	**-**	**(96)**	**(114)**	**(210)**
Balance at 1 July 2015	-	(96)	(114)	(210)
Amortisation for the year	-	(44)	(39)	(83)
Disposals	-	-	-	-
Balance at 30 June 2016	**-**	**(140)**	**(153)**	**(293)**
Carrying amounts				
At 1 July 2014	5,631	225	80	5,936
At 30 June 2015	5,631	181	44	5,856
At 30 June 2016	**5,631**	**163**	**70**	**5,864**

11. INTANGIBLE ASSETS AND GOODWILL (continued)

Goodwill arises due to the acquisition of the assets and business of NZM Disestablishment Limited on the 30 June 2012, and as a result of the Company purchasing the remaining 50% shares in NZM Disestablishment Limited from PGG Wrightson Limited in June 2011.

Goodwill has been assessed for impairment by discounting the cash flows expected to occur in the cash generating unit to which the goodwill is allocated (being the Company) at a post-tax WACC of 13% and a terminal value growth rate of 0%. The analysis is sensitive to both assessed earnings and discount rate, however no reasonably expected variation to those adopted results in any projected impairment.

Trademarks are amortised over the life applicable to each trademark. The life of all current trademarks is 10-15 years.

Computer software is amortised over a 2-5 year period.

12. TRADE AND OTHER PAYABLES

2015 $000		2016 $000
2,696	Trade payables	2,586
1,029	Employee entitlements	1,018
3,725		3,604

Related party payables are detailed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016 (continued)

13. TERM LOANS

2015 $000		2016 $000
373	Current portion loan Merino New Zealand Incorporated	267
926	Current portion loan Westpac Banking Corporation	-
1,299		267

Security

On 18 July 2011 the company entered into a term loan with Merino New Zealand incorporated for ($000) $900. The term of the loan from Merino New Zealand Incorporated is 6 years. It is an interest only loan. The interest rate payable as at the 30 June 2016 is 5.4% per annum (2015: 6.6%). The Company entered into an agreement with Merino New Zealand Incorporated in 2013 to develop a programme for research into footrot. As part of this agreement, and subsequent agreements, it was agreed that the term loan would be repaid by the Company over the life of the footrot project, and that Merino New Zealand Incorporated would use the repaid loan to fund the footrot research. It was expected that the loan would be fully repaid by 30 June 2016, however with changes in the timing of aspects of the footrot research it is now expected that the loan will be fully repaid by 30 June 2017.

14. FINANCIAL INSTRUMENTS

Fair value estimation

The table below analyses financial instruments carried at fair value, by the level of fair value hierarchy. The different levels have been defined as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value.

2016 $000	Level 1	Level 2	Level 3	Total balance
Assets				
Forward currency contracts	-	48	-	48
Total Assets	-	48	-	48
Liabilities				
Forward currency contracts	-	63	-	63
Total Liabilities	-	63	-	63

2015 $000	Level 1	Level 2	Level 3	Total balance
Assets				
Forward currency contracts	-	30	-	30
Total Assets	-	30	-	30
Liabilities				
Forward currency contracts	-	218	-	218
Total Liabilities	-	218	-	218

14. FINANCIAL INSTRUMENTS (continued)

There were no transfers between levels during the period.

The net nominal value ($000) of forward currency contracts (cash flow hedges) outstanding at balance date was $263 (2015: $3,709).

Future cash flows are based on bank derived mark to market valuations. The credit risk on forward currency contracts with Westpac Banking Corporation as at 30 June 2016 is assessed as Nil.

(i) Financial risk and capital management

The Company's capital includes share capital, reserves, retained earnings and secured term loan facilities.

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

The Company reviews its capital structure on a regular basis. As the market changes the Company may change the amount of dividends to be paid to shareholders, return capital to shareholders, or issue new shares.

The Company paid a dividend in 2016 of ($000) $1,145 (2015: $942).

The Company repaid the full balance of the overdraft facility during the year ($119). The Company can utilise an overdraft facility of up to ($000) $2,000 and a seasonal funding facility of up to ($000) $10,000 with Westpac Banking Corporation.

The Company has a loan of ($000) $267 (all of which is current) with Merino New Zealand Incorporated.

The Company is not subject to any externally imposed capital requirements, other than the covenants required under our borrowing agreements. During the year there were no breaches of these covenants.

There have been no material changes to the Company's management of capital during the period.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the entity's policies approved by the Board of Directors, which provide written principles on the use of derivative financial instruments.

14. FINANCIAL INSTRUMENTS (continued)

(ii) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability, are included in the Statement of Accounting Policies.

(iii) Wool price risk

Wool price risk is the risk of a loss to the Company from adverse movements in wool prices where the Company has open sales contract positions.

In 2016 there were no wool futures contracts in place.

(iv) Currency risk

Currency risk is the risk of a loss to the Company arising from adverse fluctuations in exchange rates.

The Company has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading activities. Where exposures are certain, it is the Company's policy to hedge these amounts as they arise.

The following table details the notional principal amounts, fair values and remaining terms of any forward currency contracts outstanding as at the reporting date:

14. FINANCIAL INSTRUMENTS (continued)

	2015 $000		2016 $000	
	Notional principal amount	Fair value	Notional principal amount	Fair value
AUD Sell				
Not later than 1 month	806	(13)	667	12
30-90 days	1,832	(95)	219	18
90-365 days	1,581	(95)	219	18
1 year to 5 years	-	-	-	-
	4,219	(203)	1,105	48
AUD Buy				
Not later than 1 month	-	-	-	-
30-90 days	-	-	-	-
90-365 days	(483)	19	(474)	(20)
1 year to 5 years	(237)	11	(254)	(5)
	(720)	30	(728)	(25)
USD Sell				
Not later than 1 month	210	(15)	-	-
30-90 days	-	-	-	-
90-365 days	-	-	-	-
1 year to 5 years	-	-	-	-
	210	(15)	-	-
USD Buy				
Not later than 1 month	-	-	(640)	(38)
30-90 days	-	-	-	-
90-365 days	-	-	-	-
1 year to 5 years	-	-	-	-
	-	-	(640)	(38)
	3,709	(188)	(263)	(15)

14. FINANCIAL INSTRUMENTS (continued)

(v) Credit risk

Credit risk is the risk that a counterparty will default on its obligations, resulting in a financial loss to the Company.

Financial assets, which potentially subject the Company to concentration of credit risk, consist principally of cash, bank balances, trade and other receivables, and advances to subsidiaries. The Company's cash equivalents are placed with high credit quality financial institutions.

The entity has adopted a policy of only dealing with creditworthy counterparties and, in the case of trade receivables, for the most part only releasing wool for delivery once it has been paid for as a means of mitigating the risk of financial loss from defaults. The entity's exposures are continuously monitored. The entity measures credit risk on a fair value basis.

Trade and other receivables consist of a small number of customers. Approximately 45% of trade and other receivables are due from one customer.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Total credit risk was comprised as follows

	2015 $000	2016 $000
Trade and other receivables	3,777	7,042
Total credit risk	3,777	7,042

Collateral and other credit enhancements obtained

The Company does not hold any collateral as security over trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016 (continued)

14. FINANCIAL INSTRUMENTS (continued)

(v) Credit risk (continued)

Trade and other receivables that are either past due or impaired

The table below sets out information regarding the ageing of trade and other receivables. Debts owing in excess of 30 days are considered past due. These have not been assessed as impaired as management believes that these amounts will be fully recovered.

	2015 $000	2016 $000
Current	3,681	6,978
31 – 60 days	66	7
61 – 90 days	-	-
Over 90 days	30	57
	3,777	7,042

Renegotiated trade and other receivables

There are no amounts included within trade and other receivables whose terms have been renegotiated.

(vi) Interest rate risk

Interest rate risk is the risk that the Company may be affected by changes in the general level of interest rates.

The entity is exposed to interest rate risk as it borrows funds at floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2015 $000		2016 $000	
	Notional principal amount	Fair value	Notional principal amount	Fair value
Fixed rate instruments	-	-	-	-
Variable rate	1,299	1,299	267	267
	1,299	1,299	267	267

14. FINANCIAL INSTRUMENTS (continued)

(vi) Interest rate risk (continued)

The following interest rate re-pricing tables detail the Company's exposure to interest rate risk:

2016 $000	Year end interest rate	Less than 1 year	1-2 years	2-6 years	Non-interest bearing	Total
Financial assets						
Trade and other receivables		-	-	-	7,042	7,042
Bank	1.79%	225	-	-	-	225
Derivative financial instruments		-	-	-	48	48
		225	-	-	7,090	7,315
Financial Liabilities						
Trade payables		-	-	-	3,604	3,604
Derivative financial instruments		-	-	-	63	63
Term loan Merino New Zealand Incorporated	5.40%	267	-	-	-	267
		267	-	-	3,667	3,934

2015 $000	Year end interest rate	Less than 1 year	1-2 years	2-6 years	Non-interest bearing	Total
Financial assets						
Trade and other receivables		-	-	-	3,777	3,777
Derivative financial instruments		-	-	-	30	30
		-	-	-	3,807	3,807
Financial Liabilities						
Bank overdraft	6.70%	119	-	-	-	119
Trade payables		-	-	-	3,725	3,725
Derivative financial instruments		-	-	-	218	218
Term loan Westpac Banking Corporation	6.10%	926	-	-	-	926
Term loan Merino New Zealand Incorporated	6.60%	373	-	-	-	373
		1,418	-	-	3,943	5,361

14. FINANCIAL INSTRUMENTS (continued)

(vii) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company monitors its liquidity daily, weekly and monthly and maintains appropriate liquid assets and bank funding facilities to meet all obligations in a timely and cost effective manner. Management of liquidity is designed to ensure that the Company has the ability to meet financial obligations as they fall due.

The following contractual maturities tables detail the Company's exposure to liquidity risk:

2016 $000	Less than 1 year	1-2 years	2-6 years	Total
Financial assets				
Trade and other receivables	7,042	-	-	7,042
Bank	225	-	-	225
Derivative financial instruments	48	-	-	48
	7,315	-	-	7,315
Financial liabilities				
Derivative financial instruments	58	5	-	63
Trade payables	3,604	-	-	3,604
Term loan Merino New Zealand Incorporated	267	-	-	267
	3,929	5	-	3,934

14. FINANCIAL INSTRUMENTS (continued)

(vii) Liquidity Risk (continued)

2015 $000	Less than 1 year	1-2 years	2-6 years	Total
Financial assets				
Trade and other receivables	3,777	-	-	3,777
Derivative financial instruments	19	11	-	30
	3,796	11	-	3,807
Financial liabilities				
Bank overdraft	119	-	-	119
Derivative financial instruments	218	-	-	218
Trade payables	3,725	-	-	3,725
Term loan Westpac Banking Corporation	926	-	-	926
Term loan Merino New Zealand Incorporated	373	-	-	373
Share based arrangements provision	-	-	-	-
	5,361	-	-	5,361

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016 (continued)

14. FINANCIAL INSTRUMENTS (continued)

(viii) Categories of financial instruments

2016 $000	Loan & receivables	Financial assets / liabilities at FV	Financial assets / liabilities at amortised cost	Total
Assets				
Trade and other receivables	7,042	-	-	7,042
Bank	-	-	-	-
Derivative financial instruments	-	48	-	48
	7,042	48	-	7,090
Liabilities				
Trade payables	-	-	3,604	3,604
Derivative financial instruments	-	63	-	63
Term loan Merino New Zealand Incorporated	-	-	267	267
	-	63	3,871	3,934

2015 $000	Loan & receivables	Financial assets / liabilities at FV	Financial assets / liabilities at amortised cost	Total
Assets				
Trade and other receivables	3,777	-	-	3,777
Derivative financial instruments	-	30	-	30
	3,777	30	-	3,807
Liabilities				
Bank overdraft	-	-	119	119
Trade payables	-	-	3,725	3,725
Derivative financial instruments	-	218	-	218
Term loan Westpac Banking Corporation	-	-	926	926
Term loan Merino New Zealand Incorporated	-	-	373	373
	-	218	5,143	5,361

15. SHARE CAPITAL

2015		2016
$000		$000
	Paid in share capital comprises:	
1,681	Opening balance	1,719
38	Share based arrangements	6
1,719		1,725

16. RETAINED EARNINGS AND RESERVES

Retained Earnings

2015		2016
$000		$000
7,830	Opening balance	9,177
2,289	Profit after tax	2,712
(942)	Dividend	(1,145)
9,177		10,744

Cash Flow Hedge Reserve

2015		2016
$000		$000
37	Opening balance	(136)
(173)	Gains / (losses) for the year	125
(136)		(11)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016 (continued)

17. RECONCILIATION OF CASH FLOWS WITH REPORTED NET PROFIT

2015		2016
$000		$000
2,289	Profit after tax	2,712
	Non cash items:	
149	Share of associates retained surplus	(60)
223	Depreciation	204
24	Loss / (gain) on sale of fixed assets / intangible assets	-
117	Amortisation of intangible assets	83
(93)	Movement in deferred tax	(361)
211	Long term incentive provision	159
785	Share based arrangements expense	555
(1)	Other non cash items	-
	Working capital:	
(3,842)	(Increase) / decrease in inventory	2,756
1,225	(Increase) / decrease in accounts receivable / prepayments	(3,265)
(230)	Increase / (decrease) in accounts payable	(121)
857	**Net cash from operating activities**	**2,662**

18. RELATED PARTY DISCLOSURES

The following investments/balances existed between the Company and related parties as at 30 June 2016.

2015		2016
$000		$000
100	Investment in Alpine Origin Merino Limited	160
-	Receivable from Alpine Origin Merino Limited	5

The Company entered into transactions for the sale and purchase of wool with entities associated with Ben Aubrey, Bill Sutherland, Ben Todhunter, Matanuku Mahuika and Ross Ivey, directors during the course of the year.

These transactions were made on the same terms as to other third parties.

The Company owns a 50% share in Alpine Origin Merino Limited (AOML). The Company has paid for expenses on behalf of AOML and is 100% reimbursed monthly.

The Chief Executive of the Company is a director of Landcorp Holdings Limited. During the year the Company entered into arms length transactions for the purchase of wool from farms owned or leased by Landcorp Holdings Limited. The value of wool purchased was ($000) $11,216 (2015: $9,341). The amount payable to Landcorp Holdings Limited at 30 June 2016 was ($000) $209 (2015: $929).

18. RELATED PARTY DISCLOSURES (continued)

Key Management Personnel

The Company has not entered into any transactions with key management personnel of the business outside of the employment relationship.

Total remuneration ($000) provided to key management personnel in 2016 was $1,374 (2015: $1,339). Key management personnel refers to the Chief Executive Officer and three direct management reports to the Chief Executive Officer. This does not include fees paid to directors.

During the year ended 30 June 2015 the company entered into a long term incentive scheme with the Chief Executive and three direct management reports aligned to the Company's growth goals for the three years ending 30 June 2016. During the 2016 year the scheme was extended by one year to 30 June 2017. The plan allows for a gross lump sum payment at the end of the plan term set in a range of 10% to 30% of the cumulative fixed remuneration of each participant during the plan term provided certain earnings growth targets are met.

The accrual recognised for the long term incentive is ($000) $370 (2015: $211)

The long term incentive provision has been valued using a discounted cash flow model, based on actual earnings in 2014, 2015 and 2016 and forecasted earnings in 2017, and a post tax discount rate of 13%.

A sensitivity analysis has been completed and a 10% increase in 2017 earnings would increase the fair value of the liability to ($000) $403. A 10% decrease in 2017 earnings would decrease the fair value of the liability to ($000) $339.

Refer to Note 23 for details of management share based arrangements.

19. COMMITMENTS

Capital Commitments

The Company had no capital commitments as at 30 June 2016 (2015: $Nil).

In respect of its interest in the Alpine Origin Merino Limited joint venture (refer Note 10), the joint venture had no capital commitments as at 30 June 2016.

Operating Lease Commitments

Non-cancellable operating lease rentals are payable as follows:

2015		2016
$000		$000
66	Not later than one year	429
67	Later than one year but not later than two years	372
103	Later than two years but not later than five years	895
-	Later than five years	36
236		1,732

20. EVENTS AFTER BALANCE DATE

There are no significant events post balance date.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016 (continued)

21. AUDITOR'S REMUNERATION

The auditor of the Company is Deloitte.

Amounts paid or payable to Deloitte during the year were:

2015		2016
$000		$000
27	Audit of the financial statements	22
-	Assurance and advisory	-
27		22

22. CONTINGENCIES

The Company had no contingent assets or liabilities as at 30 June 2016 (2015: $Nil).

In respect of its interest in the Alpine Origin Merino Limited joint venture (refer Note 10), the joint venture had no contingent assets or liabilities as at 30 June 2016.

23. SHARE BASED ARRANGEMENTS

On 30 September 2011 the Company entered into an arrangement with the Chief Executive and three other key management personnel whereby shares in the Company were issued to them in consideration for them foregoing their notional dividend / profit share schemes with the Company.

These shares have restrictions on them which limit the quantity of shares able to be sold over time and the price at which these shares can be sold. As part of these restrictions, and given the limited liquidity in the Company's shares, the agreement with the management shareholders allows them to require the Company to buy-back a percentage of the shares at certain dates in the future at the fair value of those shares.

During the 2015 year the board approved changes to the share-based arrangement whereby a percentage of the shares were able to be sold back to the Company on the 1 July 2014 or 1 July 2015. The minimum shareholding required to be held while an employee was also reduced to 20% of the shares issued.

The following share-based arrangement was in existence during the current and prior years;

	Number of shares issued	Issue price	Vesting schedule	Pecentage able to be sold back to company	Minimum shareholding while an employee
30-09-11	602,342	$1.48	25%	-	25%
01-07-12	-	-	10%	-	35%
01-07-13	-	-	20%	-	55%
01-07-14	-	-	20%	20%	20%
01-07-15	-	-	20%	30%	20%
01-07-16	-	-	5%	50%	20%
01-07-17	-	-	-	75%	20%
01-07-18	-	-	-	100%	20%

23. SHARE BASED ARRANGEMENTS (continued)

The buy-back value per share is to be calculated based on the following formula:

Value per Share	Total equity value / Total shares on issue
Total Equity Value	Enterprise value Less term debt Plus surplus cash
Enterprise Value	Assessed earnings x earnings multiple
Assessed Earnings	Average of the last three years EBIT The last two full financial years (audited accounts) The budget / reprojected EBIT in year of notice
Earnings Multiple	5

Any vested shares are able to be sold on the open market as with other shareholders.

No payments under the arrangement were made in the year ended 30 June 2016. (2015: $Nil).

Fair Value of Share Based Arrangements

The fair value of share based arrangements as at 30 June 2016 is ($000) $1,949 (2015:$1,399). This has been calculated based on management's best estimate for the effects of the exercise restrictions, future earnings of the company and other considerations.

The share based arrangements provision has been valued using a discounted cash flow model, based on forecasted earnings, a 80% (2015: 70%) likelihood of the option being exercised, and a post tax discount rate of 13%.

A sensitivity analysis has been completed; a 10% increase in earnings together with a 10 percentage point increase in the likelihood of the option being exercised would increase the fair value of the liability to ($000) $2,411. A 10% decrease in earnings together with a 10 percentage point decrease in the likelihood of the option being exercised would decrease the fair value of the liability to ($000) $1,534.

Impact of the Share Based Arrangement on the Statement of Comprehensive Income

2015 $000		2016 $000
(785)	Share based arrangements	(555)

24. DIVIDEND

The dividend paid in 2016 was ($000) $1,145 (2015: $942). This represented a dividend per share of 32.3c.

AUDITOR'S REPORT

for the year ended 30 June 2016

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE NEW ZEALAND MERINO COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of The New Zealand Merino Company Limited (the 'Company') on pages 13 to 52, which comprise the statement of financial position as at 30 June 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholders those matters 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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with or interests in The New Zealand Merino Company Limited.

Opinion

In our opinion, the financial statements on pages 13 to 52 present fairly, in all material respects, the financial position of The New Zealand Merino Company Limited as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Deloitte

CHARTERED ACCOUNTANTS

31 August 2016

CHRISTCHURCH, NEW ZEALAND

STATUTORY INFORMATION
for the year ended 30 June 2016

Employee's Remuneration

The cash remuneration package of the Chief Executive contains three components:

(a) Base salary;

(b) Annual bonus – based on the achievement of predetermined key performance indicators; and

(c) Kiwisaver.

During the year remuneration payments to the Chief Executive in the above categories were:

	2016
	$000
Base salary:	364
Annual bonus:	135
Kiwisaver:	20

In addition, the Chief Executive is provided with a vehicle which is available for private use. The Chief Executive is also party to a long term incentive scheme that expires on 30 June 2017. The accrued liability to 30 June 2016 for this scheme relating to the Chief Executive is ($000) $123.

During the year the following number of employees received total remuneration and other benefits including incentive payments of at least one hundred thousand dollars.

	2016
Band ($000)	Number
$100 - $110	1
$110 - $120	6
$150 - $160	2
$180 - $190	1
$190 - $200	1
$240 - $250	2
$320 - $330	1
$550 - $560	1

Directors Holding Office During the Year

The following directors held office during the year ending 30 June 2016:

	Originally Appointed	Resigned/Retired
Ruth Richardson	12/10/12	-
Ben Aubrey	14/10/11	12/11/15
Ross Ivey	14/10/11	-
Matanuku Mahuika	17/06/14	-
Susan Peterson	01/07/13	-
Ben Todhunter	17/10/14	-
Bill Sutherland	12/11/15	-

Directors' Remuneration

Remuneration paid to directors during the year was:

	2016
	$000
Ruth Richardson	64
Ben Aubrey	11
Ross Ivey	32
Matanuku Mahuika	32
Susan Peterson	32
Ben Todhunter	32
Bill Sutherland	21
	224

Directors' Indemnity and Insurance

The Company has given indemnities to, and has effected insurance for, directors and executives of the Company, which indemnify directors and executives against liabilities to other parties that may arise from their position as directors or executives. The indemnity and insurance does not cover liabilities arising from criminal actions.

STATUTORY INFORMATION

for the year ended 30 June 2016

Entries in the Company's Interests Register

Pursuant to Section 140 (2) of the Companies Act 1993, directors have disclosed interests in the following entities:

Ruth Richardson

Chairman	Jade Software Corporation Limited
Chairman	Syft Technologies Limited
Chairman	Kiwi Innovation Network Limited
Chairman	Kula II Fund Limited
Director	Synlait Milk Limited
Director	Ruth Richardson (NZ) Limited
Director	Bank of China (New Zealand) Limited

Ben Aubrey (retired 12 November 2015)

Director & Shareholder	The Cairn Station Limited

Ben Todhunter

Director & Shareholder	Cleardale Station Limited
Director & Shareholder	Southern Cross Sheep Limited
Chairman	Lincoln University Foundation

Ross Ivey

Director & Shareholder	Glentanner Station Limited
Director & Shareholder	Glentanner Park (Mount Cook) Limited
Director & Shareholder	Glentanner Heliski Limited

Entries in the Company's Interests Register (continued)

Susan Peterson

Director & Chair of Audit Committee and Shareholder	Wynyard Group Limited
Tribunal Member	New Zealand Markets Disciplinary Tribunal
Director, Chair of Audit Committee and Shareholder	Vista Group International Limited
Director	Trustpower Limited
Director and Chair of Audit and Risk Committee	Compac Holdings Limited
Director and Shareholder	Organic Initiative Limited
Trustee	Fantail Network Limited
Director	Property for Industry Limited

Matanuku Mahuika

Partner	Kahui Legal
Director	Ngati Porou Windfarms Limited
Director	NPWF Holdings Limited
Director	Tuku Korero (2006) Limited
Director	JP Ferguson Trustee Company Limited
Director	Sealord Group Limited
Director	Kura Limited
Board Member	New Zealand Geographic Board
Chairman	Ngati Porou Holding Company Limited
Director	Pakihiroa Farms Limited
Director	Prime SPV Limited
Director	Te Runanganui o Ngati Porou Trustee Limited
Trustee	Eastland Community Trust

Bill Sutherland

Partner	Benmore Station
Partner	Ahuriri Downs
Director and Shareholder	Benmore Irrigation Company Limited
Chairman and Shareholder	Omarama Saleyards Limited
Shareholder	Clay Cliffs Station

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