



PRELIMINARY ANNOUNCEMENT



FOR THE
YEAR ENDED
31 MARCH 2017



COOKS TRANSFORMATION GAINS TRACTION

GROWTH IN COFFEE HOUSE SALES LEADS TO NARROWING TRADING LOSSES FOR CONTINUING¹ BUSINESSES

MILESTONES

Esquires Coffee constant currency² store network sales as at 31 March 2017, grew 13% to \$39.4 million as the coffee network grew from 86 stores to 98 stores.

Cooks remains on track to transition to generating positive cashflow this financial year for its continuing business activities.

Group net losses after tax from continuing operations narrow 20.8% to \$3.5 million.

Revenue from continuing operations for the year to 31 March 2017 fall 13.2% to \$5.3 million with the effect of the Esquires store network sales growth offset by currency headwinds, particularly the post Brexit effect on sterling.

Talks advance to restructure the Chinese coffee business into a new joint venture.

Progressive Processors sold to management.

Group net losses after tax from continuing and discontinued operations rise to \$12.2 million, principally due to non-cash write downs.

Cornerstone shareholders commit to provide \$10 million in new equity as part of an ongoing capital raising to fund further growth, provide working capital and capitalise debt.

Cooks Global Foods (NZX:CGF) today reports narrowing operating losses in its core Esquires Coffee operations as it benefits from strong growth in sales across its global coffee store network. The company also reports it remains on track to transition to cashflow breakeven in its continuing businesses in the current financial year.

Group net losses from continuing operations for the year to 31 March 2017 narrowed by 20.8% to \$3.5 million from \$4.5 million a year earlier, with both Ireland and the Middle East³ making a positive contribution and the UK segment significantly reducing its losses.

The improved earnings reflect a 13.1% rise in constant currency sales across the Esquires Coffee store network to \$39.4 million in the 2017 financial year. These gains however were offset by a strong rise in the New Zealand dollar against sterling in particular, and to a lesser extent, the euro. Meanwhile, the prior financial year also benefited from master franchise fees in Egypt and Jordan.

As a result, revenue from continuing operations for the year fell 13.2% to \$5.3 million down from the prior year's \$6.2 million. Almost all this fall

was attributable to negative unrealised exchange movement in reporting trading revenue figures from the UK and Ireland businesses in the group's base currency.

Group net losses rose 53.7% to \$12.2 million from \$7.9 million a year earlier, principally reflecting well-signalled non-cash write downs totalling \$4.5 million.

Ahead of its expected sale into a new Chinese joint venture, Cooks wrote down the value of its Chinese coffee store operations by \$4 million. It also wrote down the carrying value of the Progressive Processors supply business by \$450,000 following its sale to management. Both divisions are now treated as discontinued operations.

¹ Cooks Chinese coffee operations and its Progressive Processors supply business are now treated as discontinued operations. This follows the sale of the assets to Progressive effective 13 April 2017 and the impending formation of a joint venture with Chinese partners to accelerate the growth of the company's branded coffee operations in greater China.

² Constant figures referenced in this release are adjusted for currency fluctuations using moving average exchange rate for the 12 months to 31 March 2017.

³ The Middle East represents the largest contributor (excluding intercompany transactions with the UK and Ireland) to the Global Franchising and Design segment, which also includes operations in Canada and Indonesia and in total made an operating profit for the year.



KEITH JACKSON

Executive Chairman

Cooks Global Foods Executive chairman Keith Jackson said:
“A strong underlying improvement in the global Esquires Coffee house operations especially in the core markets of England and Ireland has been overshadowed by the turbulence in currency markets.

“This is particularly the case in the UK and Ireland, which in local currency terms saw improvements in revenue of 22.2% and 15.1% respectively. However, the sharp fall in sterling and the euro in the wake of the June 2016 Brexit vote almost completely wiped out these gains when converted to the base currency for the group.

“The success of the UK and Irish operations, which generate more than 44% of Cook’s revenue, shows how we are reaping the rewards of the significant reorganisation we have undertaken over the last three years and the ongoing strong demand we see for artisan style Fairtrade and Organic branded coffee outlets around the world.

“The latest store formats, which reflect our key brand values, the closure of underperforming stores, coupled with new store openings around the world are driving improvements in recurring revenues including franchise fees, royalty payments, beverage supply sales and design and technical service fees.

“These changes coupled with the re-organisation in China and the expected expansion of the global coffee store network to 140 stores by the end of this financial year, give us confidence that we will achieve our target of transitioning to cashflow breakeven for our continuing operations in the current financial year.

“As announced in April, Cooks expects to establish a joint venture company with a Chinese-based investment entity to own the master franchise for the Esquires Coffee brand in China, Hong Kong, Macau and Taiwan. In exchange for a 30% stake in the new entity, Cooks will contribute its Chinese assets. The new entity will benefit from strong cash backing and local partners.

“Cooks is well funded. The company’s cornerstone shareholders Jiayiayue Holding Group (JJY), the YunNan Metropolitan Construction Investment Group (YMCI) and I are seeking shareholder approval to commit up to \$10 million of new equity to the company.

“These funds, which include a Share Purchase Plan we intend to launch early next month, will reduce debt, provide capital sufficient to fund future growth and provide the back-office infrastructure necessary to support that growth.

OUTLOOK

“Cooks is supported by favourable market conditions. Even in a relatively mature market such as the United Kingdom, sales in the branded coffee sector grew by 11.2% in 2016 to reach £3.7 billion and are forecast by the Allegra Research group to grow at 10.2% a year until 2021⁴.

“We also benefit from a highly supportive cornerstone shareholder base and a global team that is committed and incentivised to drive the success of the business. We are looking to the remainder of the financial year and beyond with confidence.”

⁴ Project Café 2017, Allegra World Coffee Portal.

OPERATIONAL OVERVIEW

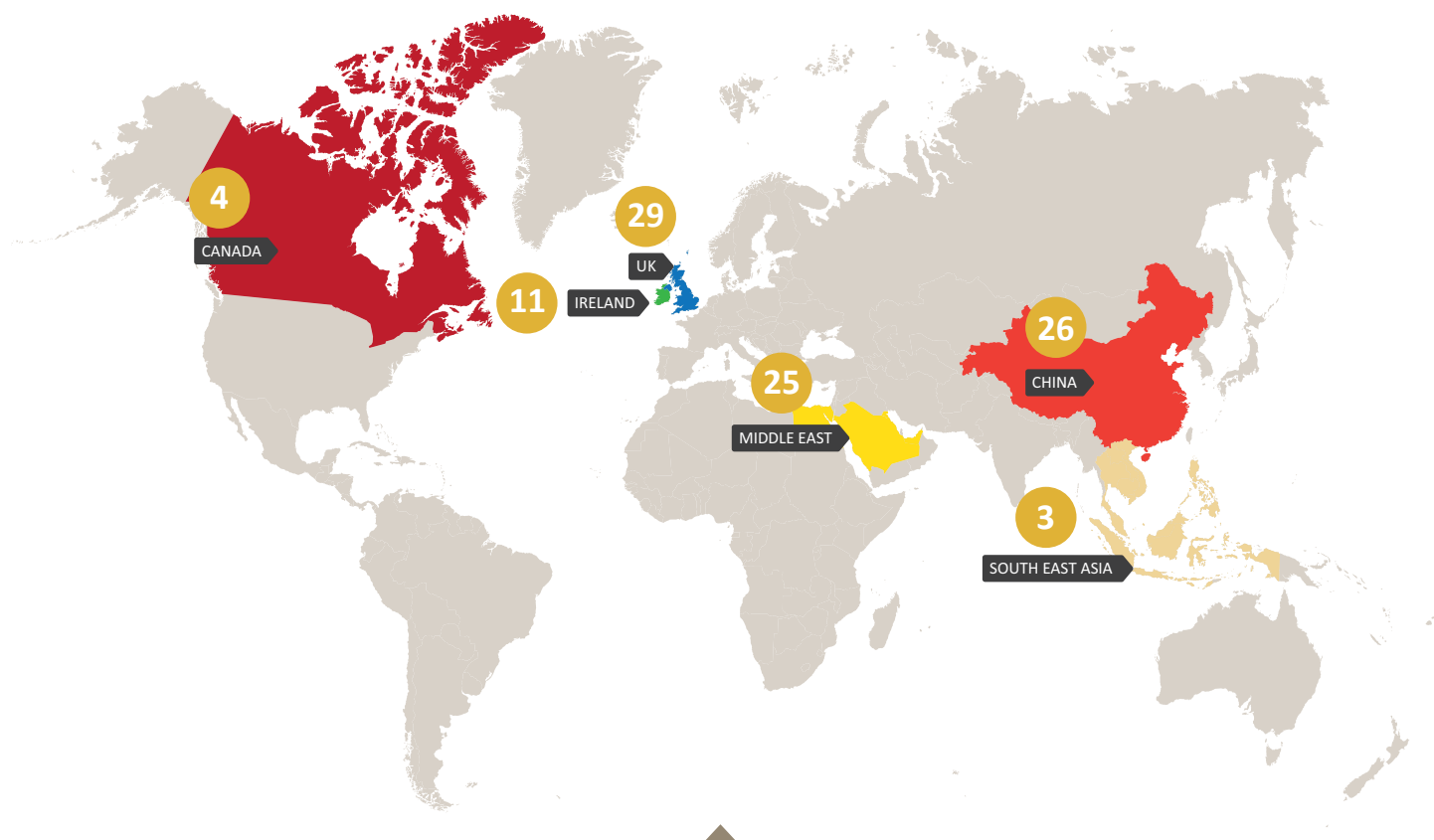
ESQUIRES COFFEE SUMMARY OPERATING METRICS

Year to 31 March

Total network operating metrics	2017	2016	Change
Esquires Coffee network sales**	\$39,426,002	\$34,885,287	13.0%
Transactions volume**	4,420,451	3,984,126	11.0%
Average transaction value**	\$8.92	\$8.76	1.9%
Same store operating metrics	2017	2016	Change
Esquires Coffee network sales**	\$29,408,189	\$29,238,594	0.6%
Transactions volume**	3,330,072	3,401,968	-2.1%
Average transaction value**	\$8.83	\$8.59	2.8%

**To remove foreign exchange fluctuations, current and prior period sales and transaction values are calculated using a moving average exchange rate for the 12 months to 31 March 2017.

ESQUIRES COFFEE STORE NETWORK



Year to 31 March	2017	Opened	Closed	2016
China	26	7	7	26
UK	29	5	1	25
Middle East	25	4	1	22
Southeast Asia	3	1	-	2
Ireland	11	3	1	9
Canada	4	1	-	3
Total	98	21	10	87



UNITED KINGDOM

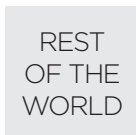
Revenue in local currency increased more than 22% for the year but after conversion of revenue figures to the group base reporting currency they decreased 7.5% to \$1.65 million due almost entirely to the sharp fall in sterling following the Brexit vote in June 2016. Operating losses narrowed by nearly 40% to \$731,000 from \$1.22 million a year earlier as operating costs were shared across a larger revenue base.

During the year, the UK opened four new stores, taking total store numbers to 29 from 25 a year ago. The increase, coupled with the positive impact of the ongoing rebranding and store refurbishment programme, lifted constant currency store network sales by 7% to \$13.9 million from \$13.0 million at the same time a year ago.



IRELAND

Revenue increased 12% to \$668,000, from \$594,000 a year earlier while the segment declared a small operating profit before amortisation and continues to improve in performance year on year. Again, the strength of the New Zealand dollar diluted the financial performance of the business, with revenue and earnings growing strongly in local currency terms. Ireland opened three new stores in the period taking the total to 11 and lifting constant currency store network sales by 38% to \$11.2 million from \$8.1 million a year earlier. Again, costs did not rise as fast as sales.



REST OF THE WORLD

Revenue fell 20% to \$2.5 million from \$3.2 million, while the segment reported an operating profit of \$295,000, reversing last year's loss. Over the year, we added four new stores in the Middle East and one new store in Indonesia and another in Canada.

The businesses in the Middle East continue to face a challenging trading environment with weak energy prices weighing on disposable incomes. The UAE has been particularly hard hit by the downturn, while new laws banning smoking in malls are weighing on performance in Kuwait although we do not expect this effect to endure.



SCARBOROUGH FAIR

Sales at Scarborough Fair were steady at \$640,000, and the business posted a small loss as it invested in new product initiatives that will accelerate sales in the coming year and lift the businesses financial performance.



ABOUT COOKS GLOBAL FOODS

Cooks Global Foods operates in world markets and is listed on the NZAX market operated by NZX Limited in New Zealand under the code CGF. It owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia. Cooks currently operates or franchises Esquires Coffee Houses in Canada, the United Kingdom, Ireland, the Middle East, Indonesia, and China.

For more information visit: www.cooksglobalfoods.com

FOR FURTHER INFORMATION

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This document covers Cooks Global Food Limited's unaudited financial results for the year ended 31 March 2017

A (CGF) : COOKS GLOBAL FOODS LIMITED

Results for announcement to the market

Reporting Period 12 months ended 31 March 2017
 Previous Reporting Period 12 months ended 31 March 2016

	Amount (\$NZ'000)	Percentage change
Revenue from continuing ordinary activities	\$5,340	-13.2%
Loss from continuing activities after tax attributable to security holders	-\$3,549	-20.8%
Loss from discontinued activities after tax attributable to security holders	-\$8,660	-
Net loss attributable to security holders	-\$11,865	50.6%

Interim Dividend	Amount per security	Imputed amount per security
No interim dividend has been declared for this reporting period.	\$0.0000	\$0.0000

CGF has no dividend reinvestment plan currently in operation.

Record Date	N/A
Dividend Payment Date	N/A

Comments

Refer to commentary in attached release.

B COOKS GLOBAL FOODS LIMITED PRELIMINARY ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

Preliminary unaudited full year report on consolidated results (including the results for the previous corresponding year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on unaudited financial statements.

The accounting policies used in the preparation of these financial statements are consistent with those used in the interim financial statements for the six months ended 30 September 2016 and in the audited financial statements for the year ended 31 March 2016.

The Listed Issuer has a formally constituted Audit & Risk Committee of the Board of Directors.



CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Unaudited March 2017 \$NZ'000	Up/ Down %	Restated March 2016 \$NZ'000
Revenue	5,340	-13.2%	6,152
Cost of sales	(1,250)		(1,366)
Gross profit	4,090	-14.5%	4,786
Operating expenses and staff costs	(6,983)	-21.9%	(8,942)
Impairment of intangible assets	-	-100.0%	(71)
Other income	139	-54.3%	304
Operating profit before depreciation and amortisation	(2,754)	-29.8%	(3,923)
Depreciation and amortisation	(216)	1.9%	(212)
Operating loss	(2,970)	-28.2%	(4,135)
Finance costs	(563)	62.7%	(346)
Loss before income tax	(3,533)	-21.2%	(4,481)
Income tax benefit/(expense)	(16)		-
Net loss for the year from continuing operations	(3,549)	-20.8%	(4,481)
Net loss for the year from discontinued operations	(8,660)	150.2%	(3,461)
Net loss for the year	(12,209)	53.7%	(7,942)
Earnings Per Share (Cents per share):	(2.88)		(1.55)

D

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

Cash and cash equivalents
Trade and other receivables
Inventories
Other assets
Current tax assets
Assets classified as held-for-sale
Property, plant and equipment
Deferred tax assets
Other non-current assets

Total tangible assets

Intangible assets

Total assets

Liabilities

Trade and other payables
Bank overdraft
Borrowings and other liabilities

Total liabilities

Net assets

Equity

Share capital
Accumulated losses
Foreign currency translation reserve
Total equity attributable to equity holders of the Company

Non-controlling interests

Total equity

Tangible assets per share

	Unaudited March 2017 \$NZ'000	Up/ Down %	Audited March 2016 \$NZ'000
	182		1,032
	3,255		4,635
	464		828
	774		3,302
	6		4
	4,394		
	256		1,476
	-		(29)
	15		129
	9,346	-17.9%	11,377
	3,035	-68.3%	9,575
	12,381	-40.9%	20,952
	4,657		6,042
	1,826		1,807
	5,769		3,456
	12,252	8.4%	11,305
	129	-98.7%	9,647

	37,875		36,372
	(38,894)		(27,029)
	1,148		(5)
	129	-98.6%	9,338
	-		309
	129	-98.7%	9,647

Cents
2.24

Cents
2.73

E

STATEMENT OF CHANGES IN EQUITY

Loss for the year

Net increase in issued share capital
Foreign currency translation reserve
Non-controlling interests

Movements in equity for the year

Equity at start of the year

Equity at end of the year

	Unaudited March 2017 \$NZ'000	Up/ Down %	Audited March 2016 \$NZ'000
	(12,209)	53.7%	(7,942)
	1,503		8,836
	1,153		(16)
	35		374
	(9,518)	-860.2%	1,252
	9,647		8,395
	129	-98.7%	9,647

F

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited March 2017 \$NZ'000	Up/ Down %	Audited March 2016 \$NZ'000
Loss for the period	(12,209)	53.7%	(7,942)
Add/(Less):			
Depreciation & loss on disposal of property, plant and equipment	1,117		417
Provision for doubtful debts	75		188
Impairment/amortisation of intangible assets	-		501
Share based incentive schemes	558		748.00
Warranty recoveries	-		(222)
Fair value adjustment on discontinued operations	4,468		-
Net movements in working capital	852		179
Net cash flow from operating activities	(5,139)	-16.2%	(6,131)
Net cash flow from investing activities	(548)	-7.3%	(591)
Net cash flow from financing activities	4,818	97.9%	2,435
Net decrease in cash held	(869)	-79.7%	(4,287)
Opening bank balance	(775)	-122.1%	3,512
Closing bank balance	(1,644)	112.1%	(775)
Made up as follows:			
Cash and cash equivalents	182		1,032
Bank overdraft	(1,826)		(1,807)
	(1,644)	112.1%	(775)

G

MATERIAL ACQUISITION OF SUBSIDIARIES

N/A

H

MATERIAL DISPOSAL OF SUBSIDIARIES

Refer to commentary

I

MATERIAL INVESTMENT IN JOINTLY CONTROLLED ENTITY

N/A

J

ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD

Category of Securities Issued	Number	Quoted
ORDINARY SHARES:		
Total number of shares in issue	416,595,863	416,595,863
Issued during the current year	3,929,712	-

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

A. Material factors affecting the revenues and expenses of the group for the current full year or half year

Refer to Commentary.

B. Significant trends or events since the end of the current full year or half year

Refer to Commentary.

C. Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed

None. For detailed accounting policies please refer to Note 3 in the 2016 Annual Report.

D. Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that are inherently uncertain

None.

E. Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

Refer to Commentary.

(signed by) Authorised Officer of Listed Issuer

14 June 2017

(Date)

COOKS GLOBAL FOODS LIMITED
SEGMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

	Continuing operations						Discontinued operations		
	Unaudited Global franchising & design \$'000	Unaudited UK franchising & retail \$'000	Unaudited Ireland franchising & retail \$'000	Unaudited Supply \$'000	Unaudited Corporate \$'000	Unaudited Total \$'000	Unaudited China franchising & retail \$'000	Unaudited Supply \$'000	Unaudited Total \$'000
Global operational splits									
Revenue	2,489	1,543	668	640	-	5,340	4,448	447	4,895
Other income	-	112	-	-	27	139	310	-	310
Cost of inventories sold	(511)	(170)	-	(569)	-	(1,250)	(1,786)	(542)	(2,328)
Depreciation and amortisation	(33)	(137)	(31)	-	(15)	(216)	(748)	(149)	(897)
Impairment of intangible assets	-	-	-	-	-	-	-	-	-
Other expenses	(1,650)	(2,079)	(673)	(312)	(2,269)	(6,983)	(9,617)	(1,007)	(10,624)
Operating loss for the year	295	(731)	(36)	(241)	(2,257)	(2,970)	(7,393)	(1,251)	(8,644)
Non-current assets									
Intangible assets	68	957	529	-	1,481	3,035	-	-	-
Property, plant and equipment	94	122	14	2	24	256	-	-	-

FOR THE YEAR ENDED 31 MARCH 2016

	Continuing operations						Discontinued operations		
	Restated Global franchising & design \$'000	Restated UK franchising & retail \$'000	Restated Ireland franchising & retail \$'000	Restated Supply \$'000	Restated Corporate \$'000	Restated Total \$'000	Restated China franchising & retail \$'000	Restated Supply \$'000	Restated Total \$'000
Global operational splits									
Revenue	3,150	1,773	594	635	-	6,152	4,894	1,390	6,284
Other income	-	16	-	285	3	304	14	-	14
Cost of inventories sold	(408)	(285)	-	(673)	-	(1,366)	(2,332)	(745)	(3,077)
Depreciation and amortisation	(17)	(90)	(31)	(58)	(16)	(212)	(124)	(81)	(205)
Impairment of intangible assets	-	-	-	(48)	(23)	(71)	-	(430)	(430)
Other expenses	(2,815)	(2,630)	(1,135)	(129)	(2,233)	(8,942)	(5,269)	(585)	(5,854)
Operating loss for the year	(90)	(1,216)	(572)	12	(2,269)	(4,135)	(2,817)	(451)	(3,268)
Non-current assets									
Intangible assets	107	1,043	530	-	1,482	3,162	5,935	478	6,413
Property, plant and equipment	37	86	9	3	98	233	726	517	1,243