



PRELIMINARY ANNOUNCEMENT



FOR THE
YEAR ENDED
31 MARCH 2018



UNAUDITED FINANCIAL RESULTS FOR THE YEAR TO 31 MARCH 2018
COOKS REPORTS YEAR OF CONSOLIDATION

HIGHLIGHTS

ANNUAL GROUP REVENUE FROM CONTINUING OPERATIONS¹ FOR THE 12 MONTHS TO 31 MARCH 2018 INCREASED 26% TO \$6.73 MILLION

NET LOSSES FROM CONTINUING OPERATIONS DOWN 54.4% TO \$1.6 MILLION, INCLUDING DEPRECIATION AND AMORTISATION OF \$244K; FINANCE COSTS OF \$449K; AND SHARE OF NET LOSS IN CHINA ASSOCIATE OF \$279K

SECURED \$10 MILLION IN NEW EQUITY, SUFFICIENT FOR TRANSITION TO CASHFLOW BREAKEVEN WITHIN THE 2019 FINANCIAL YEAR

CONTINUED STRONG GROWTH ACROSS THE GLOBAL ESQUIRES NETWORK, WITH THE UK DELIVERING THE STANDOUT PERFORMANCE

ESTABLISHED A BEACHHEAD IN EUROPE WITH THE OPENING OF STORES IN ROMANIA AND PORTUGAL AND NEW OPERATIONS IN PAKISTAN AND JORDAN

COMMENCED THE RESTRUCTURING OF THE CHINESE AND MIDDLE EAST OPERATIONS

Cooks Global Foods (NZAX:CGF) today reports strongly improved financial performance after a year of consolidation that has set up the global Organic and Fairtrade coffee operator for its next phase of growth.

Group revenue from continuing operations for the 12 months to 31 March 2018 increased 26% to \$6.73 million from \$5.34 million the same time a year ago. Cooks sales of beverage products and franchise related fees show continuing strong growth in the global Esquires Coffee House network as well as a rising contribution from the branded consumer business especially Grounded responsible coffee.

Annual net losses from continuing operations halved to \$1.6 million from \$3.5 million in the same period a year ago, with foreign exchange gains contributing around \$0.6 million of the turnaround.

Annual net losses, including discontinued operations, narrowed to \$4.1 million from \$12.2 million in the prior financial year.

Employee and other costs increased to \$6.5 million from \$6.0 million in the prior year, largely due to the additional resource in the Esquires UK business to support the growth in store numbers and revenue in that territory and increased expenditure to support the launch of Scarborough Fair's new carbon-neutral Grounded coffee brand.

¹ The Chinese business was treated as a discontinued operation until 30 September 2017 and thereafter as an investment in an associate to be equity accounted going forward. The China business has been folded into a new joint venture, in which Cooks will hold a minority position, covering the greater China region. No further funds have been invested in China since 30 September 2017, with Cooks China partner providing funding, during a transition period, until 31 March 2018. Funds that Cooks owe as part of this interim arrangement have been dealt with by an adjustment to the proportional ownership structure in the new business, with Cooks share of the new company settling at 21%.



KEITH JACKSON

Executive Chairman

Executive Chairman Keith Jackson said: “Cooks Global Foods has made solid operational progress during the year. The core continuing coffee operations are performing well, with more regions making a positive contribution to operating earnings.

“The UK Esquires business continues to lead the global network with group revenue from the region increasing 92% to \$3.0 million now representing 44% of total group revenue for continuing activities. We have established new coffee operations in Portugal, Romania, Jordan and Pakistan with these regions delivering positive results for the company albeit with some coming into play late in the financial year.

“While we have confirmed the appropriate accounting treatment of the restructured China business, the final agreements associated with the new entity are still being completed. We have also moved closer to finalising the terms for our new joint venture in the Middle East. Both arrangements more closely align the interests of our regional partners with Cooks and have the potential to accelerate growth of our coffee operations in these regions.

“Our supply businesses, including the coffee and tea supplier Scarborough Fair and the food exporter and importer Crux Products, continue to make solid progress. We are particularly excited about the potential for the Grounded responsible coffee brand which was launched this year and has been growing strongly in New Zealand.

“We have also held discussions with a number of partners that could propel growth in the coffee store network to above our 100-store target. While these discussions are ongoing they are so far inconclusive.

“Finally, we completed a \$10 million capital raising that has given us sufficient momentum to bring our current operations to break even, a goal we expect to achieve some time in the current financial year. Together these achievements have put the company in a strong position and give Cooks Global Foods confidence for the year ahead.”

OPERATIONAL OVERVIEW

ESQUIRES OPERATING METRICS²

12 Months To 31 March

Total Network	2018	2017*	Variance
Esquires Coffee Store sales	NZ\$43,106,131	NZ\$39,656,630	8.7%
Transactions	4,499,395	4,338,821	3.7%
Average transaction value	NZ\$9.58	NZ\$9.14	4.8%
Same Store	2018	2017*	Variance
Esquires Coffee Store sales	NZ\$33,602,282	NZ\$33,231,225	1.1%
Transactions	3,444,465	3,586,901	-4.0%
Average transaction value	NZ\$9.76	NZ\$9.26	5.4%

*The 2017 operational year was 53 weeks. The 53rd week's sales have been removed so the year is comparable to 2018's 52-week year.

² Esquires operating metrics convert the prior year figures at the same exchange rate as the current year to eliminate any exchange fluctuation effect. For the definition of all terms please see the last page of this release.

STORE NUMBERS

	31 MAR 2017	OPENED	CLOSED	31 MAR 2018
UK	29	8	2	35
China	26	1	12	15
Canada	4	0	2	2
Indonesia	3	0	1	2
Europe	11	3	1	13
Middle East	25	6	5	26
TOTAL	98	18	23	93

Constant currency network store sales³ were up 8.7% to \$43.1 million in the 12 months to 31 March 2018. Constant currency store sales are a leading indicator of the revenue Cooks expects to generate for new and refurbished stores and recurring revenues, such as royalties, coffee product and other retail sales. On a same-store basis, the total coffee store network's constant currency store sales rose 1.1% to \$33.6 million.

At the end of March 2018, store numbers stood at 93, down 5 from 98 at the same time a year ago. In the 12 months to 31 March 2018, Esquires opened a total of 18 stores, including 8 in the United Kingdom, 6 in the Middle East, 3 in Europe and 1 in China. However, these gains were offset by the closure of 23 stores including 12 stores in China, 5 stores in the Middle East and a total of 6 stores in other territories.

Cooks now treats its former Chinese subsidiary as an investment in an associate (with an effective stake of 21%) with effect from 1 October 2017 and equity accounts for movements in this investment from that date onwards. Cooks continues to work through complex regulatory processes with respect to the Middle East joint venture. The completion of which is now expected within the first half of the new financial year.

Growth in store sales and store numbers was slower than the prior year mainly due to the impact of the restructuring of the Esquires' Chinese and Middle East operations.

REGIONAL PERFORMANCE

UNITED KINGDOM

Group revenue from the UK increased 92% to \$3.0 million from \$1.5 million the same time a year ago, while the region delivered an operating profit of \$0.19 million, reversing last year's \$0.73 million operating loss.

The UK Esquires business continues to lead performance across the network, benefitting from a net increase in six stores during the year taking the total to 35. It has also benefited from the ongoing store refurbishment programme. In the final quarter of the year we moved to accelerate the growth in this region with the signing of a regional master franchise for the South East of England, the first of several regional master franchises we envisage for the country.

EUROPE

The Ireland business is now treated as part of a European region which not only includes the Irish business but the new stores in Portugal and Romania. Group revenue from Europe (still predominantly relating to the Irish business) increased 48% to \$0.9 million from \$0.67 million the same period a year ago, while the region posted an operating profit of \$0.19 million, reversing the prior year's \$0.04 million loss. The dramatic increase in revenue was in part assisted by franchise fees relating to Romania and Portugal.

³ The 2018 trading period was one week shorter than the same period a year ago to show fair comparison, an adjustment to remove the impact of the extra week of trading in the 2017 financial year is used in this report.

Store numbers in Ireland were static during the year at 11 stores. Network store sales rose 12.5% from the prior year, with transactions up 10.8% and average transaction value up 1.6%.

REST OF THE WORLD

The rest of the world segment covers the stores in the Middle East, Pakistan, Indonesia, and Canada. Group revenue from this region decreased from \$2.5 million to \$1.9 million but operating profits increased to \$0.43 million from a profit of \$0.23 million in the same period a year ago. The decrease in revenue predominantly relates to New Zealand sourced coffee sales to the Middle East and China, with reduced demand in China with the reduction in store numbers and timing differences in ordering cycles in the Middle East. Even after stripping out foreign currency gains the region recorded an operating profit. The rest of the world stores reduced to 30 in total from 32 the year before.

SUPPLY AND CORPORATE

Group revenue from the supply businesses increased 31% to \$0.84 million from \$0.64 million a year ago largely due to a sharp increase in sales of the climate-neutral coffee brand Grounded. The Crux Products supply business is growing but is still yet to make a significant contribution to the group.

Losses in the supply business increased to \$0.30 million from a loss of \$0.24 million in the same period a year ago, largely reflecting the increase in marketing and distribution costs associated with the Grounded launch. Corporate costs were contained with operating costs narrowing from \$2.2 million to \$1.4 million.

BALANCE SHEET

During the year the company secured an additional \$10 million in new equity from its major shareholders, of which \$3.4 million was used to repay borrowings, while the remaining \$6.6 million is funding the company's growth.

Around \$4.7 million of that sum was provided by the underwrite of the group's share purchase plan by entities associated with Cooks Executive Chairman Keith Jackson. As at 31 March 2018 around \$1.3 million of an earlier underwrite of Mr Jackson, provided by Cooks Investment Holding Limited, has been committed with respect to the Middle East joint venture transaction which is in the process of completing.

Cooks believes that its current operations will transition to cashflow breakeven using its existing facilities and the as-yet undrawn capital.

OUTLOOK

"Cooks is continuing to make progress and we are confident that the steps we have taken this financial year have set up the company to grow and transition to cashflow breakeven in the new financial year," Mr Jackson said. "We will provide an update at the annual meeting later this year."



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 in Canada, the United Kingdom, Ireland, Bahrain, Kuwait, Saudi Arabia, UAE, Indonesia, Portugal, Romania, Pakistan, Jordan, and China. It also operates the Scarborough Fair Tea (including Grounded Responsible Coffee) and Crux Products supply businesses.

For more information visit: www.cooksglobalfoods.com

FOR FURTHER INFORMATION

INVESTORS

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Executive Chairman

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APPENDIX

Network (Store) Sales

Total store sales are the aggregate of sales of all Esquires branded coffee stores, whether franchised or owned, across the company's global brand network. Cooks derives income from its franchised stores from franchise related fees, primarily related to these sales levels as well as store sales for those stores directly owned by the company. Total network store sales, therefore, have a correlation to the portion of revenue earned by Cooks Global Foods relating to recurring franchise fees. However, they are not and should not be confused with the revenue of Cooks Global Foods which is reported in its financial statements as the two do not directly correlate.

Same Store Sales

Same store sales are the aggregate of all Esquires-branded coffee stores, whether franchised or owned across the company's global brand network that have been operational for at least a full two-year period for the purposes of like-for-like comparison between current and prior periods. The metric measures the improvement in existing store sales within the brand network, excluding new stores opened in the previous 24 months. Same store sales are not the same as revenue in the financial statements for Cooks Global Foods group, but can indicate stable revenue growth in the brand network.

Transactions

Transactions relate to the total individual transactions, which occur within Esquires branded coffee stores, whether franchised or owned. A transaction is defined as a single financial transaction for food, beverage or product that is processed through the point-of-sale system within a coffee store.

Average Transaction Value

Average transaction values are derived by dividing total Esquires coffee store sales by total transactions recorded over the period.

Total (Store) network

All stores whether owned or franchised, which operate under a brand owned by companies within the Cooks Global Foods Group.

APPENDIX 1 RELEASE

14 JUNE 2018



This document covers Cooks Global Food Limited's unaudited financial results for the year ended 31 March 2018

A (CGF) : COOKS GLOBAL FOODS LIMITED

Results for announcement to the market

Reporting Period 12 months ended 31 March 2018
Previous Reporting Period 12 months ended 31 March 2017

	Amount (\$NZ'000)	Percentage change
Revenue from continuing ordinary activities	\$6,726	26%
Loss from continuing activities after tax attributable to security holders	-\$1,619	54.4%
Loss from discontinued activities after tax attributable to security holders	-\$2,478	71.3%
Net loss attributable to security holders	-\$3,966	66.3%

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 2018

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 2017 and in the audited financial statements for the year ended 31 March 2017.

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



CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Unaudited March 2018 \$NZ'000	Up/ Down %	Audited March 2017 \$NZ'000
Revenue	6,726	26.0%	5,340
Cost of sales	(1,069)	14.5%	(1,250)
Gross profit	5,657	38.3%	4,090
Operating expenses and staff costs	(6,343)	9.8%	(7,034)
Other income	39	-71.7%	138
Operating profit before depreciation and amortisation	(647)	76.9%	(2,806)
Depreciation and amortisation	(244)	-47.0%	(166)
Operating loss	(891)	70.0%	(2,972)
Share of net loss of associates accounted for using the equity method	(279)		-
Finance costs	(449)	20.4%	(564)
Loss before income tax	(1,619)	54.2%	(3,536)
Income tax benefit/(expense)	-		(16)
Net loss for the year from continuing operations	(1,619)	54.4%	(3,552)
Net loss for the year from discontinued operations	(2,478)	71.3%	(8,627)
Net loss for the year	(4,097)	66.4%	(12,179)
Earnings Per Share (Cents per share):	(0.84)		(2.85)

D

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited March 2018 \$NZ'000	Up/ Down %	Audited March 2017 \$NZ'000
Assets			
Cash and cash equivalents	714		182
Trade and other receivables	2,836		2,579
Inventories	154		227
Other assets	616		518
Current tax assets	-		6
Assets classified as held-for-sale	-		6,495
Property, plant and equipment	359		256
Investments accounted for using the equity method	3,087		-
Other non-current assets	15		15
Total tangible assets	7,781	-24.3%	10,278
Intangible assets	2,948	-2.9%	3,035
Total assets	10,729	-19.4%	13,313
Liabilities			
Trade and other payables	4,807		3,832
Bank overdraft	1,180		1,826
Borrowings and other liabilities	4,729		5,769
Liabilities classified as held-for-sale	-		1,689
Total liabilities	10,716	18.3%	13,116
Net assets	13	-93.4%	197
Equity			
Share capital	42,517		37,875
Accumulated losses	(42,770)		(38,804)
Foreign currency translation reserve	334		755
Total equity attributable to equity holders of the Company	81	146.6%	(174)
Non-controlling interests	(68)		371
Total equity	13	-93.4%	197
	Cents		Cents
Total tangible assets per share	1.59		2.10

E

STATEMENT OF CHANGES IN EQUITY

	Unaudited March 2018 \$NZ'000	Up/ Down %	Audited March 2017 \$NZ'000
Loss for the period	(4,097)	65.2%	(11,775)
Net increase in issued share capital	4,642		1,503
Foreign currency translation reserve	(421)		760
Non-controlling interests	(308)		62
Movements in equity for the period	(184)	98.1%	(9,450)
Equity at start of the period	197		9,647
Equity at end of the period	13	-93.4%	197

F

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited March 2018 \$NZ'000	Up/ Down %	Audited March 2017 \$NZ'000
Loss for the period	(4,097)	66.4%	(12,179)
Add/(Less):			
Deferred tax	-		(29)
Depreciation & amortisation	495		740
Impairment of goodwill	-		4,043
Share of losses of associates	279		-
Impairment of other assets	-		174
Provision for doubtful debt	-		75
Share based payments	358		503
Reclassification from foreign currency translation reserve	651		-
Net movements in working capital	697		1,499
Net cash flow from operating activities	(1,617)	68.7%	(5,174)
Net cash flow from investing activities	(272)	50.4%	(548)
Net cash flow from financing activities	3,067	-36.8%	4,853
Net (decrease)/increase in cash held	1,178	235.6%	(869)
Opening bank balance	(1,644)	-112.1%	(775)
Closing bank balance	(466)	71.7%	(1,644)
Made up as follows:			
Cash and cash equivalents	714		182
Bank overdraft	(1,180)		(1,826)
	(466)	71.7%	(1,644)

G

MATERIAL ACQUISITION OF SUBSIDIARIES

N/A

H

MATERIAL DISPOSAL OF SUBSIDIARIES

N/A

(a) Name of jointly controlled entity	Beijing Esquires Management Limited
(b) Percentage of ownership disposed	100%
(c) Contribution to consolidated loss for the period	-\$2,478,000
(d) Date from which such contribution has been calculated	1/04/17
(e) Contribution to consolidated profit/(loss) for the previous corresponding period	-\$7,376,000
(f) Date from which such contribution has been calculated	1/04/16
(g) Date of disposal	30/09/17

MATERIAL INVESTMENT IN JOINTLY CONTROLLED ENTITY

N/A

(a) Name of associate entity	Shanghai Yinshi Food and Beverage Management Company Limited
(b) Percentage of ownership held	20.97%
(c) Contribution to consolidated loss for the period	-\$279,000
(d) Date from which such contribution has been calculated	1/10/17
(e) Contribution to consolidated profit/(loss) for the previous corresponding period	N/A
(f) Date from which such contribution has been calculated	N/A
(g) Date of disposal	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	489,509,248	489,509,248
Issued during the current year	73,022,583	-

K

COMMENTS BY DIRECTORS

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

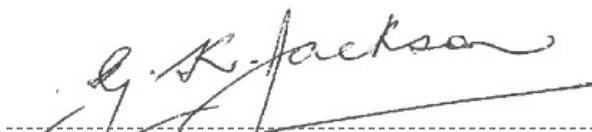
None. For detailed accounting policies please refer to Note 3 in the 2017 Annual Report.

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 they 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 2018

(Date)

COOKS GLOBAL FOODS LIMITED
SEGMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

	Continuing operations						Discontinued operations		
	Unaudited Global franchising & design \$'000	Unaudited UK franchising & retail \$'000	Unaudited Europe 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	1,937	2,962	989	838	-	6,726	1,746	46	1,792
Other income	-	38	-	-	1	39	270	45	315
Cost of inventories sold	(205)	(192)	-	(672)	-	(1,069)	(804)	(11)	(815)
Depreciation and amortisation	(35)	(162)	(35)	(1)	(11)	(244)	(251)	-	(251)
Other expenses	(1,264)	(2,452)	(762)	(464)	(1,401)	(6,343)	(3,499)	(11)	(3,510)
Operating loss for the year	433	194	192	(299)	(1,411)	(891)	(2,538)	69	(2,469)
Non-current assets									
Intangible assets	69	901	498	-	1,480	2,948	2,137	-	2,137
Property, plant and equipment	27	285	25	3	19	359	570	-	570

FOR THE YEAR ENDED 31 MARCH 2017

	Continuing operations						Discontinued operations		
	Audited Global franchising & design \$'000	Audited UK franchising & retail \$'000	Audited Ireland franchising & retail \$'000	Audited Supply \$'000	Audited Corporate \$'000	Audited Total \$'000	Audited China franchising & retail \$'000	Audited Supply \$'000	Audited Total \$'000
Global operational splits									
Revenue	2,489	1,543	668	640	-	5,340	4,745	447	5,192
Other income	-	112	-	-	26	138	319	-	319
Cost of inventories sold	(511)	(170)	-	(569)	-	(1,250)	(1,680)	(542)	(2,222)
Depreciation and amortisation	(33)	(86)	(31)	-	(16)	(166)	(425)	(149)	(574)
Impairment of goodwill	-	-	-	-	-	-	(4,043)	-	(4,043)
Other expenses	(1,718)	(2,129)	(673)	(312)	(2,202)	(7,034)	(6,276)	(1,007)	(7,283)
Operating loss for the year	227	(730)	(36)	(241)	(2,192)	(2,972)	(7,360)	(1,251)	(8,611)
Non-current assets									
Intangible assets	68	957	529	-	1,481	3,035	2,257	-	2,257
Property, plant and equipment	94	122	14	2	24	256	570	194	764