



Tegel Group Holdings Limited Results for Announcement to the Market

Reporting Period	52 weeks to 29 April 2018
Previous Reporting Period	53 weeks to 30 April 2017

	52 weeks ended 29 April 2018 (NZ\$000)	Percentage change
Revenue from ordinary activities	615,435	0.2%
Profit (loss) from ordinary activities after tax attributable to security holder	26,105	(23.8%)
Net profit (loss) attributable to security holders	26,105	(23.8%)

Final Dividend	Amount per security	Imputed amount per security
Cents per share	4.10	1.5944

Record Date	29 June 2018
Dividend Payment Date	13 July 2018

Net tangible assets	29 April 2018	30 April 2017 restated
Net tangible assets per security	\$0.38	\$0.39

Basic Earnings per share (EPS)	29 April 2018	30 April 2017
EPS (cents per ordinary share)	7.33	9.78

Comments

Accompanying this announcement are the Group's audited Consolidated Financial Statements for the 52 weeks ended 29 April 2018. These financial statements and the Full-Year Results Announcement dated 11 June 2018 provide the balance of information requirements in accordance with NZX Listing Rule 10.3.2 and Appendix 1.

The audited Consolidated Financial Statements for the year ended 29 April 2018 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and with New Zealand Equivalents to International Financial Reporting Standards ("NZIFRS").

Qualified Audit Opinion

A qualified audit opinion has been issued with respect to the FY18 Financial Statements. Tegel's Directors have arrived at a different opinion from the auditors relating to the valuation of goodwill for the year.

The accounting standard allows for different valuation methods to be used when assessing a company's value. Based on internal modelling, the Directors have formed the view that the Discounted Cash Flows model consistently used by Tegel arrives at a better estimate of the value of the business and indicates headroom still exists and so goodwill should not be impaired. On the other hand, the auditors have arrived at a valuation which is based mainly on Bounty's effective offer of \$1.271 (\$1.23 plus \$0.041 proposed dividend). This is only one indicator of value and the Directors believe other considerations should be made.

Also supporting the Directors view that goodwill should not be impaired is that the independent adviser's report, commissioned to assess the takeover offer for Tegel, includes a wide range of valuation modelling, the upper values of which are consistent with the Company's view of goodwill. The qualified audit opinion has no impact on the takeover offer for Tegel. This is a unique set of circumstances with judgement involved in arriving at an outcome on both sides.

Further details on the impairment test for goodwill are set out in note 4.2 of the FY18 Financial Statements.

Dividend Policy

The FY2018 final dividend of 4.1 cents per share and total FY2018 dividends of 7.55 cents per share are in excess of the Group's current dividend policy. The FY2018 final dividend is being paid giving consideration to the terms of the current takeover offer by Bounty Holdings New Zealand Limited, being the maximum permitted dividend and included in the effective offer price of the Independent Advisers Report. The dividend policy for the Group has not changed and the payout ratio of the FY2018 total dividends is not an indication of future dividends.

ASX listing rule 1.15.3

Pursuant to ASX listing rule 1.15.3 Tegel Group Holdings Limited confirms that it continues to comply with the rules of its home exchange (NZX Main Board).

Basis of report

This report is based on the audited financial statements for the 52 week period ended 29 April 2018.

Net tangible assets

Net tangible assets as at 30 April 2017 have been restated due to a change in accounting policy during the year as set out in Note 1.2 of the Financial Statements.

Earnings per share

The key inputs for the calculation of earnings per share are shown in Note 5.4 of the financial statements for the 52 week period ending 29 April 2018.