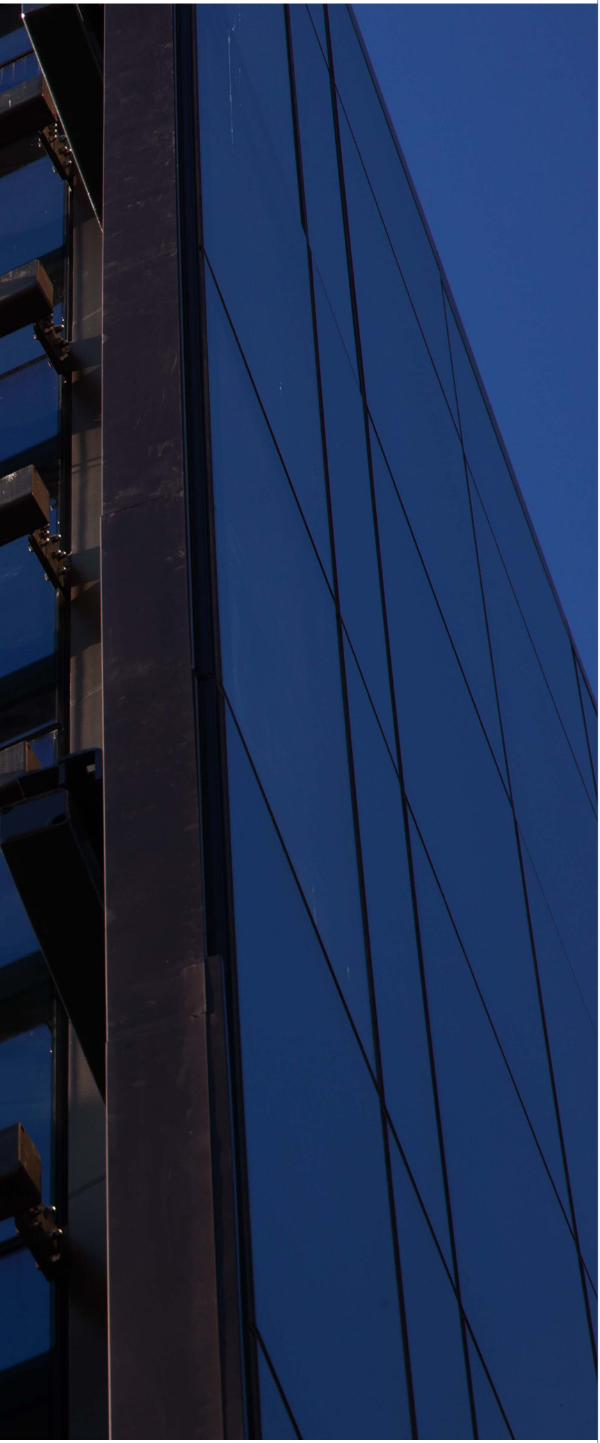
INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2019

METRO
PERFORMANCE GLASS



Metro Performance Glass is at the forefront of providing high-performance glass and industry-leading service to Australasian residential and commercial construction markets. We have an extensive network of seven Australasian processing plants and twelve distribution or retail sites across New Zealand.

We are Australasia's leading manufacturer and installer of double-glazed windows for both new residential and retrofit markets. We also process annealed, toughened, laminated, painted and digitally-printed glass products for applications ranging from mirrors, showers, balustrades and kitchen splashbacks to commercial façades. Living by our purpose of making lives brighter every day.

CHAIR AND CEO REVIEW

Peter Griffiths
CHAIR

Simon Mander
CEO

Traction made in Australia and New Zealand, in difficult market conditions

The Metroglass Group is empowered by a team of close to 1,200 passionate people, driven by our purpose of *Making Lives Brighter Every Day*. At the heart of our strategy is the dedication to providing excellent service to our customers.

In the first half of this year, the Metroglass team made progress on a series of initiatives to ensure the company remains focused on its key customers, is resilient in a range of market conditions, and will build a base for improved financial performance in the future.

Changing economic momentum and increasingly competitive markets in New Zealand and Australia offer both challenges and opportunities for us. To create value for our shareholders, we will continue to deliver a differentiated, market-leading customer proposition while prudently managing our costs and use of capital.

Financial results for the group in the first half of the 2020 financial year were slightly behind the same period last year. This was principally due to variable demand levels from our customers and increased competition mainly in the upper North Island of New Zealand and Victoria, Australia.

Group revenue of $136.7 million was 3% lower than the same six-month period last year, and Group EBIT declined 6% to

$14.5 million. We reduced our net debt by $21.9 million year on year following strong cash generation and improved management of working capital.

NEW ZEALAND

In New Zealand, Metroglass is operating in an increasingly competitive market, with variable levels of construction activity across the country. During this period new processing capacity has come online and the level of imports has also grown.

Whilst there has been an increase in the total number of building consents issued over the past 12 months, the levels of actual construction activity within our core segments have continued broadly in line with last year. Feedback from our customer base has consistently highlighted softness in actual activity and reduced books of forward work. This dynamic has been particularly evident in the upper North Island market.

The New Zealand business is committed to providing a differentiated and market leading customer experience. Against the prior comparable six month period, both delivery-on-time-in-full (DIFOT) and late-tail-DIFOT performance improved by ~2%. Our customer defect rate (as measured by external reworks) reduced by approximately one third in 1H20 compared with 1H19.

We are continually looking to improve our customer interactions. A good example of this is the recent introduction of a simplified and online generic producer statement (PS1) platform for our customers. This solution reduced the lead times for our customers to access compliance documents that are required for certain balustrades and pool fences from weeks to days.

> To create value for our shareholders, we will continue to deliver a differentiated, market-leading customer proposition while prudently managing our costs and use of capital."

Our people are pivotal to the success of Metroglass. Over the past six months we have deployed a series of initiatives that are focussed on ensuring that our people are supported, engaged and well trained. These initiatives include training our people managers on having courageous conversations with their teams, and the development of a learning management system, that is to be deployed across the business in 2H20.

Variable activity and heightened competition in the upper North Island contributed to New Zealand revenue declining 3% versus the prior comparable six-month period from $113.0 million to $109.6 million. Pleasingly profitability has improved in the South Island in a very challenging market, following a restructure of the local footprint to better align with lower activity levels in the Canterbury region.

New Zealand EBIT increased from $17.0 million in 1H19 to $17.2 million in 1H20, inclusive of a net benefit of $0.9 million from changes to lease accounting standards.

AUSTRALIA

In Australia we have been implementing a state-by-state plan to improve Australian Glass Group's (AGG) operational and financial performance. In the first half of the year, the business made significant progress on many fronts and is now receiving increasingly positive feedback from customers.

The improvements in AGG's customer service metrics which emerged in the late stages of FY19 have continued throughout the first half of FY20. Against the prior comparable six month period, AGG's delivery-on-time-in-full (DIFOT) increased 10% and the customer defect rate (as measured by external reworks) declined 22%.

Improved service levels and increased marketing efforts have delivered increased double-glazing sales. Many new accounts have been opened and historic accounts reactivated. One of these marketing initiatives was to include AGG's product specifications in the widely used Australian Window Energy Rating Scheme (WERS) system. This significantly increased the visibility of AGG's products to the market and made it easier for architects and window fabricators to choose them.

AGG grew revenue by 1% in Australian dollar terms in 1H20 versus the prior comparable six-month period, including 3% growth in the key double-glazing segment.

AGG's EBIT loss increased from $1.3 million in 1H19 to $2.3 million in 1H20, inclusive of a $0.1 million net cost from the changes to lease accounting standards, on the back of adverse foreign exchange and pricing movements in a competitive market.

New South Wales restructure

AGG's Victorian and Tasmanian operations are profitable, and the New South Wales business has significantly improved its operational performance and customer service. In the last 6 months double glazing sales in NSW grew by 19%, however this was offset by declines in margins and volumes of other processed glass. Despite our best efforts NSW has continued to be a loss-making business. While we continue to see long term value and opportunity in the NSW market as the penetration of double glazing increases, this will take time.

Going forward, Sydney based operations will be consolidated and focused on supplying window manufacturers with double glazing, with local production of non-window or processed glass production being discontinued. The physical footprint in Sydney will decrease from four buildings to two and operating costs will materially reduce.

This restructure will regrettably impact a significant number of our Sydney staff and our priority is to support those affected.

We believe these changes will provide an improved competitive position and financial performance over the medium term. In FY20, the restructure will have a one-off cash impact in FY20 of $2.5 million (of which $1.1 million is already provided for) and an estimated asset write-off totalling $3.5 million. The transition is planned to be completed by the end of March 2020.

CAPITAL MANAGEMENT

Over the last twelve months Metroglass has reduced net debt by $21.9 million, supported by a reduction in working capital of $5.3 million. Over the past six months net debt reduced by $10.0 million.

In May 2018 the board announced that the company would prioritise debt reduction and target a net debt to EBITDA ratio of 1.5 times. At 30 September 2019 this ratio was 1.9 times, with net debt at $73.4 million.

We expect to reach our leverage target during first half of FY21 and at that time the board will have the opportunity to review the capital management position. We will update shareholders further with the Metroglass FY20 results release in May next year.

$21.9M

NET DEBT REDUCTION
OVER THE LAST 12 MONTHS

$5.3M

REDUCTION IN
WORKING CAPITAL
OVER THE LAST 12 MONTHS

MARKET CONDITIONS AND OUTLOOK

Future market conditions are increasingly difficult to predict, and industry commentators are forecasting a broad range of different market trajectories. Elevated levels of residential and non-residential construction in New Zealand should continue to provide a generally supportive market environment. However, we expect to see further softness in certain regional markets in the near term, including in Auckland.

The mix of building consents has shifted towards multi-residential dwellings in recent years following the growth in apartments, retirement villages and town houses. This extends the typical time period between a consent and completion and changes the mix of glass products demanded.

In south east Australia leading indicators point to significant softening in Australian residential construction activity in the near term, impacting multi-residential approvals in particular. AGG is primarily involved in the new detached housing and alterations and additions segments which have been less impacted to date but are also expected to decline.

Market competition has intensified in both countries with several glass processors having introduced new capacity to the market in the last 12-18 months. We are confident that Metroglass is building its resilience by focusing on production reliability, pricing and cost management and by creating stronger relationships with key channel participants.

For the 12 months to 31 March 2020, the Group now anticipates Group EBIT in the range of $21 million – $24 million. This excludes:

1. the impact of the change to IFRS 16 (lease accounting standards) which we expect to increase reported EBIT by ~$1.7 million, and
2. a net abnormal charge of approximately $5 million related to the restructure of NSW (asset write-off of $3.5 million and cash costs of $2.5 million, less $1.1 million already provided for).

We also anticipate a reduction in net debt of circa. $15 million (inclusive of impacts from the restructuring of NSW).

PETER GRIFFITHS
Chair

SIMON MANDER
CEO

SUMMARY

Group revenue of $136.7 million for the six months to 30 September 2019 (1H20) was 3% below the prior comparable period (1H19). New Zealand revenue declined 3% to $109.6 million while Australian revenue in NZ$ fell 1% to $27.1 million. Group earnings before interest and tax (EBIT) for the half year was $14.5 million inclusive of the net benefit of $0.9m from the changes to lease accounting standards, down from $15.5 million in 1H19. Net profit after tax (NPAT) for 1H20 was $7.7 million.

In New Zealand, Metroglass remains committed to delivering the best customer service in our market. The strength of our customer relationships is critical, with our people energised to go above and beyond to ensure our customers are successful. Our customer survey in June this year demonstrated that this is one of the reasons why they partner with us. We have responded to their feedback by implementing improvement initiatives focused on product quality, lead times and delivery performance.

New Zealand delivered EBIT of $17.2 million, up 2% on the prior period, inclusive of a net benefit of $0.9 million from the changes to lease accounting standards, with lower revenue offset by an improved underlying gross profit.

Australian Glass Group (AGG) continued to deliver improved operational performance in the half, reinforcing their service-led value proposition to customers. The success of these improvements is becoming apparent with AGG's 1H20 revenue increasing 1% in Australian dollar terms. This result was also supported by further scaling up in our Tasmanian operations, the roll out of marketing initiatives and additional sales resources focused on customer acquisition.

AGG's EBIT loss increased from $1.3 million in 1H19 to $2.3 million in 1H20, inclusive of a $0.1 million net cost from the changes to lease accounting standards, on the back of adverse foreign exchange and pricing movements in a competitive market.

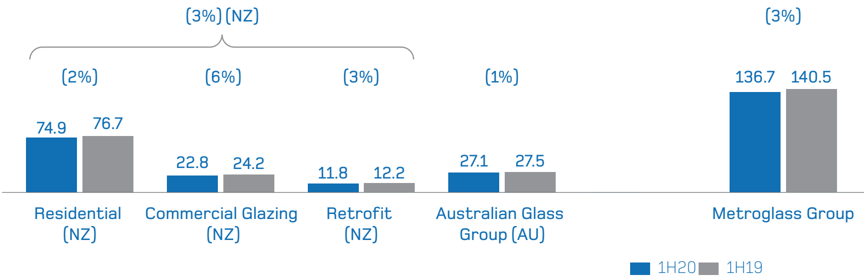
EARNINGS SUMMARY

$m	New Zealand		Australia		Group	
	1H20	1H19	1H20	1H19	1H20	1H19
Revenue	**109.6**	**113.0**	**27.1**	**27.5**	**136.7**	**140.5**
Segmental EBIT pre-IFRS16	16.3	17.0	(2.2)	(1.3)		
Segmental EBIT	**17.2**		**(2.3)**			
EBIT pre-IFRS16					13.6	15.5
EBIT					**14.5**	
NPAT pre-IFRS16					8.3	9.1
NPAT					**7.7**	

All values stated herein are in New Zealand dollars (NZD) unless otherwise stated. The financial reporting impacts of the new lease accounting standard (IFRS-16) are detailed in note 9 to the financial statements on page 35.

GROUP REVENUE BY SEGMENT ($M)

$136.7 million, -$3.8 million



New Zealand $109.6 million (-3%)

Total revenue in New Zealand declined by $3.4 million or 3%. Nationally, residential revenue declined by 2% through softness in the window fabricator and merchant segments, which impacted the Auckland region in particular.

Commercial glazing revenue declined 6% in 1H20 to $22.8 million, following delays to several projects, along with an increased use of imported window suites across the sector.

Revenue from the RetroFit double-glazing channel declined 3% to $11.8 million in 1H20. While interest levels increased in the period (as measured by the number of leads received) this was offset by a reduced average contract size as more consumers elected to break up their retrofitting work into multiple partial installations.

Australia $27.1 million (-1%)

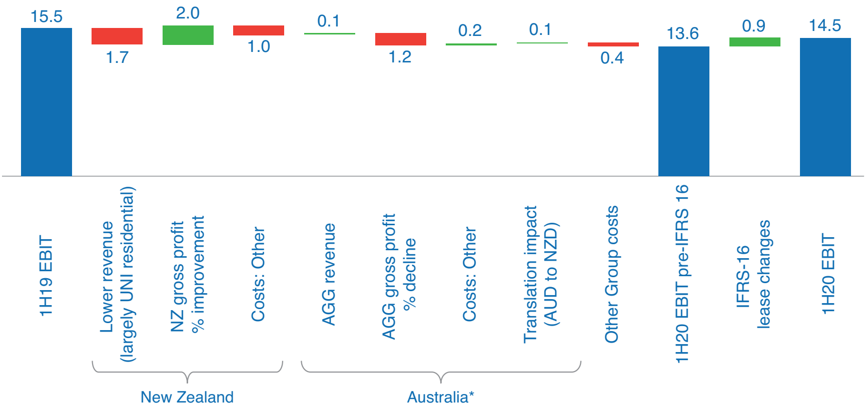
In Australian dollar terms, Australian Glass Group (AGG) revenue increased 1% in 1H20 versus 1H19. This includes 3% growth in key double-glazing segment. The NZD appreciated year on year which meant that in NZ dollar terms, AGG's revenue declined 1% to $27.1 million.

Sustained operational performance improvements across the business and established marketing programs have provided an improved platform and value proposition for AGG to win additional work and new customers. Additional sales resources are now in place to capitalise on this and pleasingly the number of active customers is 3% ahead of the same period last year.

Tasmania, which was a greenfield start-up in early 2018, has continued to scale up well, growing market share and increasing production efficiency as volumes have increased.

EBIT VARIANCE ANALYSIS

$14.5 million, -$1.0 million



*Note: The three bars relating to Australia are presented in NZ dollars, on a constant currency basis.

Group EBIT for the half year fell by $1.0 million to $14.5 million.

New Zealand

New Zealand's EBIT of $17.2 million was up 1% on the prior comparable period, after factoring in the IFRS 16 lease accounting standard benefit of $0.9 million.

Within this result, lower revenue was offset by an improved gross profit margin. Gross profit was supported by prior price increases and a higher value product mix. Savings were also achieved in material costs following improved inventory management. Offsetting these improvements, the business faced increased costs relating to labour, distribution (largely fuel), and customer service.

In the South Island, the profitability of the region has increased as we benefit from the restructuring of the South Island operations. This saw the business reducing its footprint from four sites to two and enabled an improved customer service.

Australia

AGG's EBIT loss increased from $1.3 million in 1H19 to $2.3 million in 1H20, inclusive of additional net costs from the IFRS 16 lease accounting standard of $0.1 million.

Factory costs increased proportionally with the increase in processing volumes in the period. However, increased competition and a weaker Australian dollar placed pressures on margins and adversely impacted EBIT.

The continued ramp up of Tasmania, alongside improved operating performance in Victoria and New South Wales has enabled a renewed focus on winning new work and customers. The business introduced additional sales and marketing resources in the period, which were offset partially by a reduction in overheads.

BALANCE SHEET AND CASH FLOWS

Total working capital for the group declined year on year from $36.6 million to $31.2 million as at 30 September 2019 through active management of trade debtors and improved inventory management processes.

Net debt decreased by $21.9 million to $73.4 million compared with 1H19. This represents a reduction of $10.0 million in the 6 months to 30th September 2019.

Capital expenditure totalled $4.3 million in the first half of the financial year, up from $2.3 million in the prior corresponding period.

FINANCIAL STATEMENTS

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Independent review report

to the shareholders of Metro Performance Glass Limited

Report on the consolidated interim financial statements

We have reviewed the accompanying consolidated interim financial statements of Metro Performance Glass Limited (the Company) and its subsidiaries (the Group) on pages 14 to 36, which comprise the consolidated interim statement of financial position as at 30 September 2019, and the consolidated interim statement of comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half year ended on that date, and selected explanatory notes.

Directors' responsibility for the consolidated interim financial statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying consolidated interim financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the* Independent Auditor of the Entity (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the areas of tax compliance, assistance analysing and evaluating property lease options for two leased sites and agreed upon procedures relating to covenant certificates and the annual report. The provision of these other services has not impaired our independence.

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Emphasis of matter
We draw attention to note 5 to the consolidated interim financial statements which describes the key assumptions used in the impairment model of the Australian Cash Generating Unit CGU and that no impairment has been recognised during the period.

Note 5 also indicates that the most sensitive assumption in the assessment of the value-in-use calculation for the Australian CGU is compound annual revenue growth. There is significant uncertainty regarding the forecast annual revenue growth due to the following factors: Australian national building code regulatory changes affecting energy efficient requirements will not be confirmed until 2022; the extent to which the penetration rate of double glazed windows increases both before and after the code changes; the continuing competitive proposition of the Group's products compared to competitors, and therefore the expectation of an increase in market share.

Further, the note also discloses that a change in compound annual revenue growth for the Australian CGU from 6.6% to 6.1% would result in an impairment.

Our conclusion is not modified in respect of this matter.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that these consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2019, and its financial performance and cash flows for the half year then ended, in accordance with IAS 34 and NZ IAS 34.

Who we report to
This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review 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 shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
25 November 2019

Auckland

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 SEPTEMBER (UNAUDITED)

	CONSOLIDATED	CONSOLIDATED
	Sep-19 $'000	**Sep-18 $'000**
Sales revenue	136,691	140,520
Cost of sales	(72,910)	(75,468)
Gross Profit	**63,781**	**65,052**
Distribution and glazing related expenses	(24,253)	(24,453)
Selling and marketing expenses	(7,736)	(6,986)
Administration expenses	(17,298)	(18,123)
Operating profit	**14,494**	**15,490**
Interest expense	(3,751)	(2,655)
Interest income	101	5
Profit before income taxation	**10,844**	**12,840**
Income taxation expense	(3,128)	(3,710)
Profit for the period	**7,716**	**9,130**
Other Comprehensive Income		
Exchange differences on translation of foreign operations	(231)	513
Cash flow hedges	645	953
Total comprehensive income for the period attributable to shareholders	**8,130**	**10,596**
Earnings per share		
Basic / Diluted Earnings per share (cents per share)	4.2	4.9

The Board of Directors authorised these financial statements for issue on 25 November 2019.
For and on behalf of the Board:

Peter Griffiths
Chairman

Willem (Bill) Roest
Director

The above statement of comprehensive income should be read in conjunction with the accompanying notes. Refer to Notes 8 and 9 specifically relating to the impact of adoption of NZ IFRS 16 Leases.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER (UNAUDITED)

	CONSOLIDATED	CONSOLIDATED (AUDITED)	CONSOLIDATED
	Sep–19 $'000	Mar–19 $'000	Sep–18 $'000
Assets			
Current assets			
Cash and cash equivalents	3,063	5,488	2,709
Trade and other receivables	38,416	38,839	42,152
Inventories	22,471	22,934	24,023
Derivative financial instruments	1,570	172	1,104
Income tax asset	–	–	1,344
Other current assets	5,337	5,345	4,855
Total current assets	**70,857**	**72,778**	**76,187**
Non-current assets			
Property, plant and equipment	63,758	64,581	65,765
Right-of-use assets	54,873	–	–
Deferred tax	5,747	4,958	3,207
Intangible assets	146,288	146,442	158,634
Total non-current assets	**270,666**	**215,981**	**227,606**
Total assets	**341,523**	**288,759**	**303,793**
Liabilities			
Current liabilities			
Bank overdraft	–	–	2,538
Trade and other payables	29,657	29,286	29,597
Contract liabilities	1,249	1,080	1,081
Income tax liability	2,459	2,408	1,534
Derivative financial instruments	255	659	321
Lease liabilities	6,173	–	–
Provisions	1,065	916	936
Total current liabilities	**40,858**	**34,349**	**36,007**

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONT.)

AT 30 SEPTEMBER (UNAUDITED)

	CONSOLIDATED	CONSOLIDATED (AUDITED)	CONSOLIDATED
	Sep-19 $'000	Mar-19 $'000	Sep-18 $'000
Non-current liabilities			
Deferred tax liabilities	–	1,947	3,132
Interest bearing liabilities	76,441	88,832	95,402
Derivative financial instruments	1,981	1,057	689
Lease liabilities	56,907	–	–
Lease incentive	–	2,650	2,622
Provisions	3,902	2,961	3,098
Total non-current liabilities	**139,231**	**97,447**	**104,943**
Total liabilities	**180,089**	**131,796**	**140,950**
Net assets	**161,434**	**156,963**	**162,843**
Equity			
Contributed equity	306,837	306,693	306,653
Retained earnings	25,162	21,329	25,417
Group reorganisation reserve	(170,665)	(170,665)	(170,665)
Share based payments reserve	805	725	612
Foreign currency translation reserve	(235)	(4)	762
Cash flow hedge reserve	(470)	(1,115)	64
Total equity	**161,434**	**156,963**	**162,843**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 SEPTEMBER (UNAUDITED)

	CONSOLIDATED			
	CONTRIBUTED EQUITY	RESERVES	RETAINED EARNINGS	TOTAL
	$'000	$'000	$'000	$'000
Opening balance as at 1 April 2018	306,653	(170,550)	24,233	160,336
Change in accounting policy (adoption of NZ IFRS 9 and NZ IFRS 15)	–	–	(905)	(905)
Restated total equity at 1 April 2018	306,653	(170,550)	23,328	159,431
Profit for the period	–	–	9,130	9,130
Movement in foreign currency translation reserve	–	513	–	513
Other comprehensive income for the period	–	953	–	953
Total comprehensive income for the period	**–**	**1,466**	**9,130**	**10,596**
Dividends Paid	–	–	(7,041)	(7,041)
Payments received on management incentive plan shares	–	–	–	–
Movement in share based payments reserve	–	(143)	–	(143)
Total transactions with owners, recognised directly in equity	–	(143)	(7,041)	(7,184)
Unaudited closing balance at 30 September 2018	**306,653**	**(169,227)**	**25,417**	**162,843**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONT.)

FOR THE HALF YEAR ENDED 30 SEPTEMBER (UNAUDITED)

	CONTRIBUTED EQUITY	RESERVES	RETAINED EARNINGS	TOTAL
	$'000	**$'000**	**$'000**	**$'000**
Opening balance as at 1 October 2018	306,653	(169,227)	25,417	162,843
Loss for the period	–	–	(4,088)	(4,088)
Movement in foreign currency translation reserve	–	(766)	–	(766)
Other comprehensive income (loss) for the period	–	(1,179)	–	(1,179)
Total comprehensive income (loss) for the period	**–**	**(1,945)**	**(4,088)**	**(6,033)**
Dividends Paid	–	–	–	–
Payments received on management incentive plan shares	40			40
Movement in share based payments reserve	–	113	–	113
Total transactions with owners, recognised directly in equity	40	113	–	153
Audited closing balance at 31 March 2019	**306,693**	**(171,059)**	**21,329**	**156,963**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONT.)

FOR THE HALF YEAR ENDED 30 SEPTEMBER (UNAUDITED)

	CONTRIBUTED EQUITY	RESERVES	RETAINED EARNINGS	TOTAL
	$'000	$'000	$'000	$'000
Opening balance at 1 April 2019	306,693	(171,059)	21,329	156,963
Change in accounting policy (adoption of NZ IFRS 16)	–	–	(3,883)	(3,883)
Restated total equity at 1 April 2019	306,693	(171,059)	17,446	153,080
Profit for the period	–	–	7,716	7,716
Movement in foreign currency translation reserve	–	(231)	–	(231)
Other comprehensive income (loss) for the period	–	645	–	645
Total comprehensive income (loss) for the period	**–**	**414**	**7,716**	**8,130**
Dividends Paid	–	–	–	–
Payments received on management incentive plan shares	144	–	–	144
Movement in share based payments reserve	–	80	–	80
Total transactions with owners, recognised directly in equity	144	80	–	224
Unaudited closing balance at 30 September 2019	**306,837**	**(170,565)**	**25,162**	**161,434**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 SEPTEMBER (UNAUDITED)

	CONSOLIDATED	CONSOLIDATED
	2019 $'000	**2018 $'000**
Cash flows from operating activities		
Receipts from customers	137,520	138,813
Payments to suppliers and employees	(110,561)	(119,725)
Interest received	101	5
Interest paid	(3,732)	(2,910)
Income taxes paid	(4,412)	(6,808)
Net cash inflow from operating activities	**18,916**	**9,375**
Cash flows from investing activities		
Payments for property, plant & equipment	(3,889)	(2,237)
Payments for intangible assets	(407)	(110)
Net cash outflow from investing activities	**(4,296)**	**(2,347)**
Cash flows from financing activities		
Lease liabilities payments	(3,172)	–
Repayment of borrowings	(15,500)	(3,910)
Drawdown of borrowings	1,565	7,644
Payments received on management incentive plan shares	144	–
Dividend paid	–	(7,042)
Net cash inflow/(outflow) from financing activities	**(16,963)**	**(3,308)**
Net increase/(decrease) in cash and cash equivalents	**(2,343)**	**3,720**
Cash and cash equivalents at the beginning of the period	5,488	(3,497)
Effects of exchange rate changes on cash and cash equivalents	(82)	(52)
Cash and cash equivalents at end of the period	**3,063**	**171**

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

Reporting Entity

These consolidated financial statements are for Metro Performance Glass Limited ('the Company') and its subsidiaries (together, 'the Group'). The Group supplies processed flat glass and related products primarily to the residential and commercial building sectors. The Company is a for-profit entity for financial reporting purposes and has operations and sales in New Zealand and Australia.

Statutory base

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Lady Fisher Place, East Tamaki, Auckland.

The incorporation date for Metro Performance Glass Limited was 30 May 2014 and as part of a group reorganisation was listed on the New Zealand Securities Exchange (NZSX) on 29 July 2014.

The comparative trading results presented encompass the 6 month period from 1 April 2018 to 30 September 2018.

Basis of preparation

These consolidated financial statements have been approved for issue by the Board of Directors on 25 November 2019.

The Group's unaudited condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalent International Financial Reporting Standards NZ IAS 34; Interim Financial Reporting and International Accounting Standard IAS 34: Interim Financial Reporting.

These consolidated financial statements are presented in New Zealand dollars and rounded to the nearest thousand. These financial statements do not include all the information required for full financial statements, and consequently should be read in conjunction with the full financial statements of the Group for the period ended 31 March 2019. Other than the effects of the adoption of NZ IFRS 16 *Leases* outlined in notes 8 and 9, the same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's audited financial statements for the period ended 31 March 2019.

Metro Performance Glass Limited is a limited liability company registered under the New Zealand Companies Act 1993 and is a Financial Market Conduct reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of the NZX Main Board Listing Rules.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metro Performance Glass Limited ('the company' or 'the parent entity') as at 30 September 2019 and the results of all subsidiaries for the period then ended.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

1. BASIS OF PREPARATION (CONT.)

Subsidiaries are all entities over which the Group has control. It is a controlled entity of Metro Performance Glass if Metro Performance Glass is exposed and has a right to variable returns from the entity and is able to use its power over the entity to affect those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of the impairment of the asset transferred.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars, which is Metro Performance Glass Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Goods and Services Tax (GST)

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Changes in accounting disclosures

Consistent with the change in accounting disclosure in Note 1 to the 31 March 2019 consolidated financial statements, certain comparatives have been restated in the Australian business to conform with the current year's presentation and to improve consistency across operating segments.

- The Group reclassified dispatch labour amounting to $2.1m from Cost of sales to Distribution and glazing related expenses to align group treatment.

These changes have also been made to comparatives in the Segment Information note.

2. FINANCIAL PERFORMANCE

Segment Information

Operating segments of the Group at 30 September 2019 have been determined based on financial information that is regularly reviewed by the Board in conjunction with the Chief Executive Officer and Chief Financial Officer, collectively known as the Chief Operating Decision Maker for the purpose of allocating resources, assessing performance and making strategic decisions.

Substantially all of the Group's revenue is derived from the sale of glass and related products and services. This revenue is split by channel only at the revenue level into Commercial, Residential and Retrofit. Commercial revenue reflects sales through four specific commercial glazing operations in New Zealand. The allocation of sales between residential and commercial can be difficult as the Group does not always know the end use application. Following the acquisition of AGG on 1 September 2016 the Group operates in two geographic segments, New Zealand and Australia.

Group costs consist of insurance, professional services, director fees and expenses, listing fees and share incentive scheme costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

2. FINANCIAL PERFORMANCE (CONT.)

	SEP–19			
	New Zealand $'000	Australia $'000	Eliminations & Other $'000	Group $'000
Commercial Glazing	22,834	–	–	22,834
Residential	74,938	27,077	–	102,015
Retrofit	11,842	–	–	11,842
Total revenue	109,614	27,077	–	136,691
Gross Profit	57,955	5,826	–	63,781
Segmental EBITDA pre NZ IFRS 16	21,543	(428)	–	21,115
NZ IFRS 16 Lease adjustment	3,390	1,431	–	4,821
Segmental EBITDA	24,933	1,003	–	25,936
Group Costs	–	–	(484)	(484)
Group EBITDA	–	–	–	25,452
Depreciation and amortisation	7,686	3,272	–	10,958
EBIT	17,247	(2,269)	(484)	14,494
Segment Assets	345,202	70,539	(74,218)	341,523
Segment Non-current Assets (excluding Deferred tax assets)	228,250	50,919	(14,250)	264,919
Segment Liabilities	79,988	69,836	30,265	180,089

2. FINANCIAL PERFORMANCE (CONT.)

	SEP-18			
	New Zealand $'000	Australia $'000	Eliminations & Other $'000	Group $'000
Commercial Glazing	24,194	–	–	24,194
Residential	76,661	27,485	–	104,146
Retrofit	12,180	–	–	12,180
Total revenue	113,035	27,485	–	140,520
Gross Profit	57,670	7,382	–	65,052
Segmental EBITDA	22,301	568	–	22,869
Group Costs	–	–	(130)	(130)
Group EBITDA	–	–	–	22,739
Depreciation and amortisation	5,334	1,915	–	7,249
EBIT	16,967	(1,347)	(130)	15,490
Segment Assets	275,129	71,640	(42,976)	303,793
Segment Non-current Assets (excluding Deferred tax assets)	185,064	53,585	(14,250)	224,399
Segment Liabilities	29,148	55,133	56,669	140,950

3. PROPERTY, PLANT AND EQUIPMENT

There have been no material changes in the estimated useful life of key items of plant and machinery or any significant disposals. The depreciation expense for the six months ended 30 September 2019 was $5.63m (September 2018: $5.35m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

4. FINANCIAL INSTRUMENTS

Management determines the classification of the Group's financial liabilities at initial recognition. The Group's financial liabilities for the periods covered by these consolidated interim financial statements consists of overdrafts, loans, trade and other payables, interest rate swaps and forward exchange contracts.

The Group measures all financial liabilities, with the exception of interest rate swaps and forward exchange contracts, at amortised cost in the periods covered by these consolidated interim financial statements. Interest rate swaps and forward exchange contracts are measured at fair value with changes in fair value recognised in other comprehensive income.

Financial liabilities measured at amortised cost are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Trade and other payables, bank overdrafts and loans are classified as financial liabilities measured at amortised cost.

Fair value measurement of financial assets and liabilities

The Group's financial assets and liabilities by category are summarised as follows:

Cash and cash equivalents

These are short term in nature and their carrying value is equivalent to their fair value.

Trade and other receivables

These assets are short term in nature and are reviewed for impairment; their carrying value approximates their fair value.

Trade payables and borrowings

Trade payables and borrowings are measured at amortised cost. The fair value of trade and other payables approximates carrying value due to their short term nature. The carrying value of the Group's bank borrowings also represents the fair value of the borrowings due to management's assessment that the interest rates approximate the market interest rate for a commercial loan of a comparable lending period.

Interest rate swaps and forward exchange contracts

These financial instruments were measured at fair value based on valuations provided by Westpac Banking Corporation and Bank of New Zealand. All significant inputs were based on observable market data and accordingly have been categorised as level 2. At balance date, the fair value of interest rate swaps are $2.2m liability (March 2019: $1.2m liability) and the fair value of forward exchange contracts are $1.6m asset (March 2019: $0.3m liability).

5. INTANGIBLE ASSETS

The Group tests intangible assets for impairment to ensure they are not carried at above their recoverable amounts:

- at least annually for goodwill with indefinite lives; and
- where there is an indication that the assets may be impaired (which is assessed at least each reporting date).

These tests for impairment are performed by assessing the recoverable amount of each individual asset or cash generating unit (CGU) through a value-in-use calculation. The value-in-use calculation uses pre-tax cash flow projections based on financial projections approved by the Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated long term growth rates.

Impairment tests using value-in-use calculations of the Australian CGU and New Zealand CGU have been performed at 31 March 2019, as part of the annual tests, and again at 30 September 2019 due to impairment indicators.

Key assumptions in the 30 September 2019 value-in-use calculations (and the equivalent assumptions in the 31 March 2019 calculations) are as follows:

	SEP–19		MAR–19	
	New Zealand	Australia	New Zealand	Australia
Compound annual revenue growth – 5 years	(1.0%)	6.6%	0.5%	6.9%
Long term growth rate	2.0%	2.0%	2.0%	2.0%
Discount rate (post tax)	8.8%	8.3%	9.9%	9.9%

During the six months ended 30 September 2019, the Australian cash generating unit (CGU) achieved lower revenue and earnings before interest and tax than the prior comparable period and forecast. Accordingly, the Group reviewed the recoverable amount of the Australian CGU goodwill. This review concluded that the recoverable amount of the Australian CGU is estimated to exceed the carrying value at 30 September 2019 by $6.9 million. The Group will reassess the value of goodwill again at year-end.

The most sensitive assumption in the assessment of our value-in-use calculation for the Australian CGU is compound annual revenue growth. External forecasts currently predict a slowdown in the construction of new detached houses for the next three to four years. However, we see considerable opportunity in Australia as continuing regulatory changes and shifting consumer preferences drive an increase in demand for high quality double glazed windows. Our future revenue projections are based on an assumed growth in the size of the market for double glazed units in south eastern Australia due to an increase in the penetration of double glazed windows that exceeds the effect of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

5. INTANGIBLE ASSETS (CONT.)

a decline in new house construction. We also anticipate an increase in our market share due to our strong competitive proposition in this market. Together these factors are forecast to lead to increased sales of these products.

There are some significant uncertainties to the revenue growth forecasts. Whilst individual states have already made changes to their building codes, and the Australian national building code regulations affecting energy efficient requirements for commercial buildings have also changed, the proposed residential changes will not be confirmed until 2022. Current indications are that these changes are a strong possibility. The extent to which the penetration rate of double glazed windows increase both before and after the code changes is uncertain. The continuing competitive proposition of the Group's products, and therefore our expectation of an increased market share, are also uncertain due to the effectiveness of competitor actions in the double glazed windows market.

Despite the uncertainties, we have confidence that our strategy has traction and the outlook is positive. It is the considered view of the Directors that the forecast revenue assumptions are reasonable. This is based on our understanding of the market, expected changes in the market and the revenue growth achieved in the six months ended 30 September 2019 over the previous corresponding period (in Australian dollar terms).

If the demand does not meet expectations a further impairment of goodwill may be required. The sensitivity analysis below shows an impairment would be required if the annual growth rates for the next five years are below 6.1%.

The long term growth rate is based on long term population growth rates in Australia and the increased use and prevalence of glass products in our markets.

The discount rate (post tax) represents the current market assessment of the risks specific to the CGU, taking into account the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is derived from its weighted average costs of capital (WACC). The discount rate applied is based on a report prepared by an independent third party. This reduced from the discount rate at 31 March 2019 on account of market reductions in interest rates (risk free rates) and the consideration of market specific risks.

5. INTANGIBLE ASSETS (CONT.)

The following summarises the changes in key assumptions at which an impairment would occur for the Australian CGU, with all other assumptions remaining constant:

	THRESHOLD FOR IMPAIRMENT	MOVEMENT FROM RATE USED IN THE IMPAIRMENT TEST
Compound annual revenue growth	6.1%	(0.5%)
Long term growth rate	1.0%	(1.0%)
Discount rate (post tax)	9.1%	0.8%

New Zealand CGU

Sensitivity analyses performed by management indicate no impairment to the goodwill associated with the New Zealand CGU.

There have been no changes to the estimated useful life of other intangible assets. The amortisation expense for the six months ended 30 September 2019 was $1.4m (September 2018: $1.8m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

6. RELATED PARTY TRANSACTIONS

Related Parties

There have been no material changes in the nature or amount of related party transactions since 31 March 2019.

7. EVENTS AFTER BALANCE DATE

On 22 November 2019, the Board approved a plan to restructure the New South Wales business in Australia. The operations based in Sydney will be scaled down and focused on the production of window glass only. This will result in an estimated net cash outflow of $2.5m relating to restructure costs (of which $1.1m is already provided) and a $3.5m write-down in assets. This restructure will occur within the current financial year. We believe these changes will provide an improved competitive position and financial performance over the medium term.

8. LEASES

Right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied, adjusted by the amount of any lease incentives received or restoration costs estimated. Other right-of-use assets were measured at the amount equal to the lease liability. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 April 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 5.12%.

On transition, the Group applied the following practical expedients:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short term leases
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Estimates and judgements applied

In the process of adopting NZ IFRS 16, a number of judgements and estimates have been made. These include:

- incremental borrowing rate at the time of adoption
- lease terms, including any rights or renewal that the Group are reasonably certain will be exercised.
- foreign exchange conversion rates
- application of practical expedients and recognition exemptions allowed by the new standards, including those in respect of low value assets and short term lease exemptions.

The following tables show the movements and analysis in relation to the right-of-use assets and lease liabilities, created on the adoption of NZ IFRS 16.

8. LEASES (CONT.)

Right-of-use Assets

	TOTAL
	$'000
Opening net book value 1 April 2019	
Recognised on transition	58,344
Additions	149
Depreciation for the period	(3,962)
Foreign exchange impact	342
Closing net book value 30 September 2019	**54,873**
Cost	85,967
Accumulated depreciation	(31,094)
Net book value at 30 September 2019	**54,873**

The recognised right-of-use asset relate to the following types of assets:

	30 SEP 19	1 APR 19
	$'000	$'000
Property	54,479	57,864
Motor vehicles	277	349
Equipment	117	131
Total right-of-use assets	**54,873**	**58,344**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

8. LEASES (CONT.)

Lease liabilities

	TOTAL
	$'000
Operating lease commitments disclosed as at 31 March 2019	47,195
Discounted at the incremental borrowing rate at 1 April 2019	38,182
Less: Short-term leases	(50)
Adjustments as a result of different treatment of extension and termination options	27,626
Opening lease liabilities recognised 1 April 2019	**65,758**
Additions	149
Interest for the period	1,649
Lease payments made	(4,825)
Foreign exchange impact	349
Lease liabilities at 30 September 2019	**63,080**

Lease liabilities maturity analysis

	MINIMUM LEASE PAYMENTS	INTEREST	PRESENT VALUE
	$'000	$'000	$'000
Within one year	9,255	(3,082)	6,173
One to five years	28,531	(9,722)	18,809
Beyond five years	48,777	(10,679)	38,098
Lease liabilities at 30 September 2019	**86,563**	**(23,483)**	**63,080**
Current			6,173
Non-current			56,907
Lease liabilities at 30 September 2019			**63,080**

8. LEASES (CONT.)

Lease related expenses included in the Statement of Comprehensive Income

	TOTAL
	$'000
For the six months ended 30 September 2019	
Depreciation	3,962
Short-term leases	274
Interest on leases	1,649
Interest on make-good provisions	76
Total	**5,961**

Lease payments included in the Statement of Cashflows

	TOTAL
	$'000
For the six months ended 30 September 2019	
Total cash outflow in relation to leases	**4,825**

9. ACCOUNTING STANDARDS

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2019, and as described in those annual financial statements.

There was one new standard applied during the period which had a material impact.

- **NZ IFRS 16: *Leases*** (effective from periods beginning on or after 1 January 2019). This standard replaces the current guidance in NZ IAS 17.

Transition

The Group has adopted NZ IFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019.

The Group leases mainly relate to buildings which were all classified as operating leases until 31 March 2019. Payments made under operating leases (net of any incentives received from the lessor) were previously charged to profit or loss on a straight line basis over the period of the lease. Rental contracts are typically made for fixed periods of 1 to 16 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

9. ACCOUNTING STANDARDS (CONT.)

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability. Each lease payment is allocated between the lease liability and the finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable and
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any restoration costs. These assets are subsequently depreciated using the straight line method from the commencement date to the end of the lease term.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

In addition to the opening balance sheet lease liabilities and right-of-use assets impact on transition disclosed below, the Group has recognised $1.5m of deferred tax assets and a cumulative net impact to retained earnings of $3.9m as a result of the accounting standard adoption. Included in the net impact of retained earnings is a $2.78m reduction of fixed lease increases and incentives that have been derecognised.

For comparative period analysis purposes, the adoption of the accounting standard has affected the following items of the income statement and statement of cashflows:

- In the income statement 'finance costs' included interest expense associated with lease liabilities, and 'administration expenses' includes depreciation associated with right-of-use assets.
- In the statement of cash flows lease payments are now split between principal repayments classified within 'financing activities' and interest repayments classified within 'operating activities'. Previously lease payments were included within 'payments to suppliers and employees' within operating activities.

The tables below provide further detail in relation to the impacts of NZ IFRS 16 on the consolidated Statement of Comprehensive Income and the consolidated Statement of Financial Position.

9. ACCOUNTING STANDARDS (CONT.)

Impact of NZ IFRS 16 on the Statement of Comprehensive Income and earnings per share for the six months ended 30 September 2019

	PRE NZ IFRS 16	ADJUSTMENTS UNDER NZ IFRS 16	POST NZ IFRS 16
	$'000	$'000	$'000
Sales revenue	136,691	–	136,691
Cost of sales	(73,590)	680	(72,910)
Gross profit	**63,101**	**680**	**63,781**
Distribution and glazing related expenses	(24,336)	83	(24,253)
Selling and marketing expenses	(7,812)	76	(7,736)
Administration expenses	(17,318)	20	(17,298)
Operating profit	**13,635**	**859**	**14,494**
Interest expense	(2,026)	(1,725)	(3,751)
Interest income	101	–	101
Profit before income taxation	**11,710**	**(866)**	**10,844**
Income taxation expense	(3,370)	242	(3,128)
Profit for the period	**8,340**	**(624)**	**7,716**
Other Comprehensive Income			
Exchange differences on translation of foreign operations	(147)	(84)	(231)
Cash flow hedges	645		645
Total comprehensive income for the period attributable to shareholders	**8,838**	**(708)**	**8,130**
Earnings per share	**Cents**	**Cents**	**Cents**
Basic / Diluted Earnings per share	**4.5**	**(0.3)**	**4.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONT.)

9. ACCOUNTING STANDARDS (CONT.)

Impact of NZ IFRS 16 on the Statement of Financial Position at 30 September 2019

Assets and liabilities have both increased as a result of the change in accounting policy relating to leases. At 30 September 2019 the Statement of Financial Position accounts affected by the change are detailed below:

	PRE NZ IFRS 16	ADJUSTMENTS UNDER NZ IFRS 16	POST NZ IFRS 16
	$'000	$'000	$'000
Right-of-use assets	–	54,873	54,873
Deferred tax assets	4,000	1,747	5,747
Impact on total assets	**4,000**	**56,620**	**60,620**
Current lease incentive	135	(135)	–
Current lease liabilities	–	6,173	6,173
Non-current lease incentive	2,675	(2,675)	–
Non-current lease liabilities	–	56,907	56,907
Deferred tax liabilities	–	–	–
Non-current provisions	2,961	941	3,902
Impact on Total liabilities	**5,771**	**61,211**	**66,982**
Impact on Net assets	**(1,771)**	**(4,591)**	**(6,362)**

COMPANY DIRECTORY

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BOARD OF DIRECTORS

Peter Griffiths - Non-Executive Chair and Member of the Audit and Risk Committee

Angela Bull - Non-Executive Director and Chair of the People and Culture Committee

Gordon Buswell - Non-Executive Director and Member of the People and Culture Committee

Russell Chenu - Non-Executive Director and Member of the Audit and Risk Committee

Willem (Bill) Roest - Non-Executive Director and Chair of the Audit and Risk Committee

Rhys Jones - Non-Executive Director and Member of the People and Culture Committee

SENIOR LEADERSHIP

Simon Mander - Chief Executive Officer

John Fraser-MacKenzie - Chief Financial Officer

Robyn Gibbard - General Manager Upper North Island

Gareth Hamill - General Manager Lower North Island

Andrew Dallison - General Manager South Island

Barry Paterson - General Manager Commercial Glazing

Dayna Saunders - Human Resources Director

Amandeep Kaur - Group Safety and Wellbeing Manager

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Bank of New Zealand Limited

Westpac New Zealand Limited

SHARE REGISTRAR

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FURTHER INFORMATION ONLINE

This Interim Report, all our core governance documents (our Constitution, some of our key Policies and Charters), our Investor relations policies and all our announcements can be viewed on our website: http://www.metroglass.co.nz/investor-centre/

METROGLASS.CO.NZ

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PERFORMANCE GLASS