



Essential Sensory Brands

ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2016

trilogy

ECOYA

goodness

CS&Co.



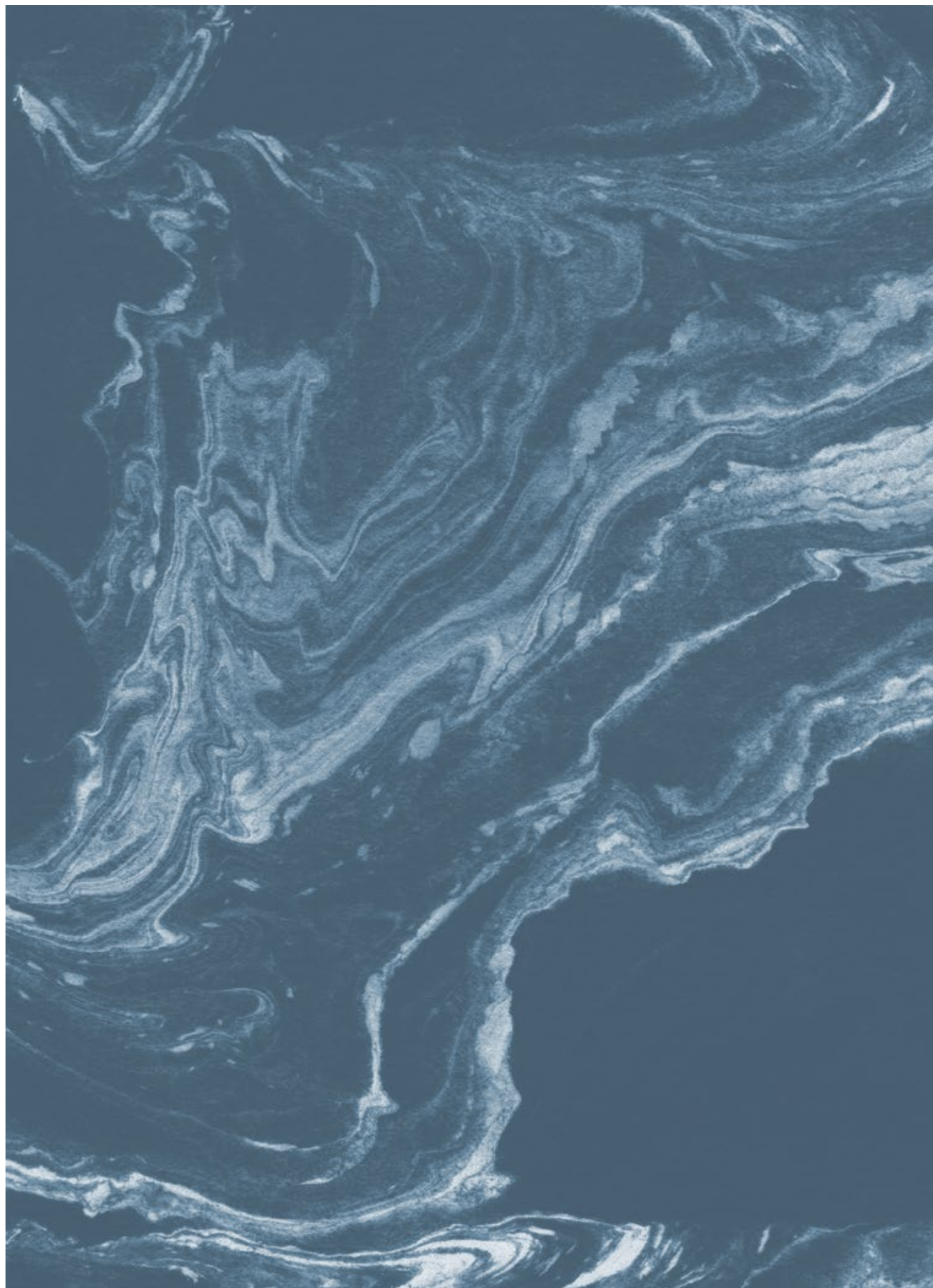
AT TIL WE

cultivate great brands

THROUGH NURTURING THE
PASSION AND INSPIRATION
OF THE PEOPLE BEHIND
EACH OF THEM

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The background is a dark blue, marbled texture. A large, semi-transparent '01' is centered in the upper half of the page. Below the '01', the text 'SECTION 01' is written in a small, white, sans-serif font. A thin white horizontal line is positioned below 'SECTION 01'.

SECTION 01

Chairman & CEO Report

Our Company at a Glance

\$83.1m

REVENUE +127%

\$16.3m

EBITDA +208%

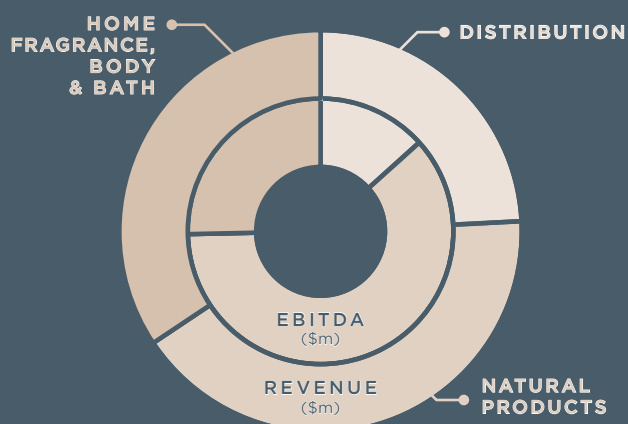
5.45 cents
per
share

DIVIDEND +51%

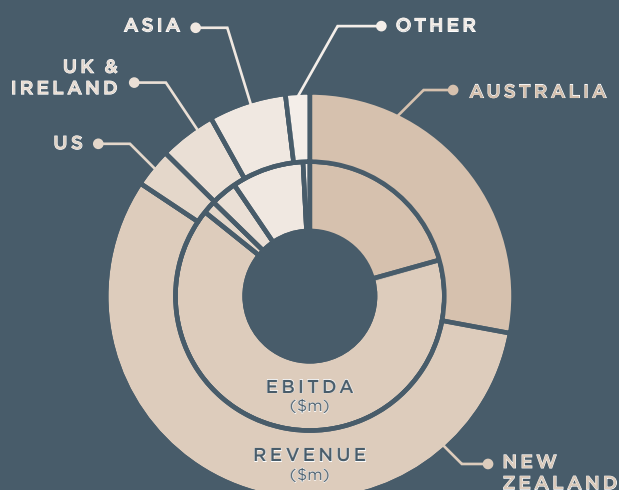
\$0.15

EPS (DILUTED)

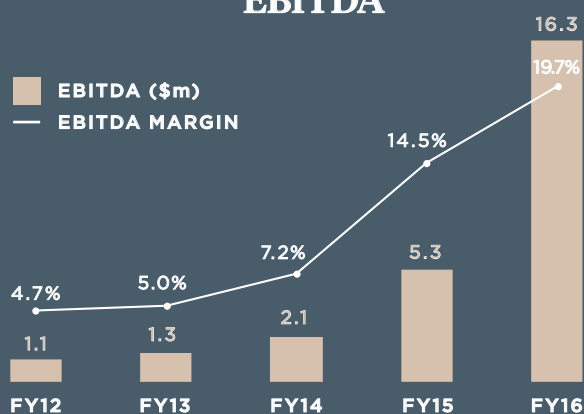
Segment Revenue & EBITDA



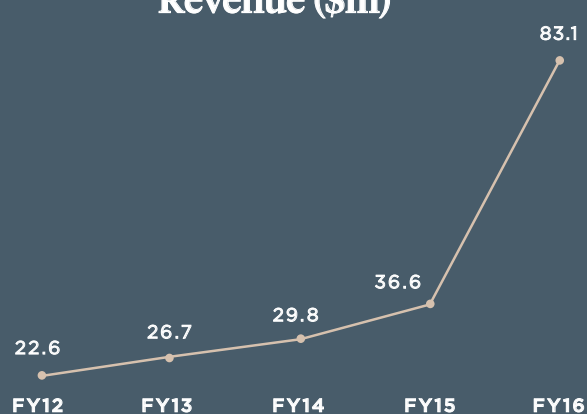
Market Revenue & EBITDA



EBITDA



Revenue (\$m)



Chairman & CEO Report

Dear Shareholders & Supporters,

Following a record FY15, we've seen an incredible year of growth and change for the Trilogy International (TIL) brands and the organisation as a whole in FY16.

As a group, TIL delivered total revenue of \$83.1m, up 127% on the prior year and EBITDA of \$16.3m, up 208%. Net profit after tax was \$9.4m, an increase of 108% on the prior year. As a reflection of this exceptional result and in accordance with TIL's dividend policy, the Board has declared a fully imputed dividend of 5.45 cents per share, an increase of 51%.

Pivotal to our success this year has been the brand equity and strength that we continue to build in New Zealand and Australia. Trilogy Natural Products (Trilogy) is the number one natural skincare brand in New Zealand pharmacy¹ and ECOYA leads the New Zealand home fragrance market², whilst holding the number two position in Australia².

For our key home markets of New Zealand and Australia, we see continued opportunity to drive the momentum for all brands, via deeper consumer penetration and by building brand awareness.

In the year to 31 March 2016, we expanded our retail channels into grocery with the launch of Goodness Natural Beauty Lab (Goodness) in New Zealand and Australia. Over the year we built distribution to over +1,600 doors in grocery and beauty retail. With a 4.8%³ share of the natural/organic skincare market in New Zealand grocery where we are confident Goodness will become a key player.

International markets continue to offer opportunity with the United States of America, the United Kingdom, Ireland and Asia delivering combined revenue growth of 67% against the previous year. The nationwide launch of Trilogy skincare into Whole Foods Market stores in the United States has been a successful entry channel in year one and we will continue to build on this in FY17.

The August 2015 acquisition of CS Company Limited (trading as CS&Co.) delivered \$28.6m in revenue and \$4.8m EBITDA in seven and a half months of ownership. In FY17, we will see increased synergies from this leading New Zealand distributor as the Trilogy and Goodness brands move to full distribution with CS&Co from 1 July 2016.

Finally, our recently announced joint venture with Sociedad Agrícola Y Forestal Casino SpA (Forestal

Casino) delivers strategic alignment and future supply certainty with one of our core raw materials, rosehip oil. This relationship will develop not only at a supply level but also through investment in developing the cultivation of this precious oil.

The excellent results delivered in FY16 are attributable to a passionate and dedicated team in New Zealand, Australia and key international markets such as the United Kingdom, United States and Asia. In October last year we co-located the New Zealand Head Office teams in Auckland, giving us the platform to deliver on a shared strategy for success and to foster a unique working environment and performance culture.

We aim to continue out-performing the market in FY17, taking confident strides in the dynamic consumer sectors of natural products and home fragrance to increase revenue and profitability in Australia and New Zealand. Leveraging that growth, we will expand our investments in new business opportunities and markets to sustain future growth.

We will support our future-focused growth through investment in brand and marketing, product innovation, working capital, technology, internal functionality, and people. This will enable us to be fit for the future, continuing to provide our consumers with quality products and further developing our business.

On behalf of the Board and the management team, we wish to thank the growing number of loyal customers around the world, our passionate and dedicated TIL team and business partners and you, our valued shareholders, for your continued support as we execute on our commitment to creating a high value business of real scale.



Angela Buglass
CHIEF EXECUTIVE
OFFICER

26 May 2016



Geoff Ross
CHAIRMAN

26 May 2016

¹IRI MarketEdge Pharmacy, Value Sales - MAT to 20/03/2016

²TNS Research, May 2016

³IRI MarketEdge Grocery, Value Sales - MAT to 27/03/2016



“

It has been a real pleasure for me as CEO to lead the team through this year of change and performance, and I am proud of what we have achieved together. I look forward to continuing my service to our business, the team and you all as shareholders.

”

CHIEF EXECUTIVE OFFICER
ANGELA BUGGLASS

+49%

ORGANIC REVENUE GROWTH
EXCLUDING CS&CO

+127%

REVENUE GROWTH
INCLUDING CS&CO

+208%

EBITDA
GROWTH

+51%

DIVIDEND GROWTH
TO 5.45c PER SHARE




ECOYA
ECOYA.COM

**WHERE WILL
THE FRAGRANCE
TAKE YOU?**



*Sweet Fruits & Pink Champagne
Fresh Pine Needles*

ECOYA Brand Highlights



In FY16, the ECOYA brand continued to build strength in key markets, with one ECOYA product being sold around the world every 23 seconds.

Contributing to this success has been the continuation of strong new product development, with 59 products delivered to market in the last financial year. This included the Grand Celebration candle and a refresh of select iconic ECOYA products, including the Metro Jar and Mini Madison Jar.

The ECOYA Limited Edition collection launched in August and was again a great success, delivering a 45% increase on FY15 Limited Edition sales.

The ECOYA Christmas collection saw the return of the Fresh Pine Needles fragrance and the introduction of Sweet Fruits & Pink Champagne. With great demand for both fragrances and increased investment in design and packaging, the collection proved to be one of the brand's biggest successes, contributing 10% of total sales for the year within local markets.

The Botanicals by ECOYA collection also had a brand refresh and was reintroduced to market in February 2016. The collection received generous praise from customers, consumers and

media and helped deliver 41% growth in the Stevens channel, where this collection is sold.

Marketing investment focused on the ECOYA Christmas campaign which launched in November and received considerable attention across social media channels. The film 'Where Will The Fragrance Take You' was hosted on the ECOYA Facebook page and had accompanying print and digital media to support the launch. The film achieved over 108,000 views and was shared over 2,500 times.

In its largest market, Australia, the brand grew by 18% in FY16, to reach a total of NZ\$12.7m revenue. Independent home and gift stores continue to be the biggest source of revenue across this market, however strong growth in department stores (+42%) also contributed to this increase.

In New Zealand, revenue grew by an impressive 33%, to reach total revenue of \$5.0m. Farmers now represents the largest department store for ECOYA, delivering 63% growth on FY15.

Across our export markets, revenue grew 65% compared to FY15. The United Kingdom and Korea continue to account for the majority of sales, with John Lewis Partners in the United Kingdom showing strong growth.

59

NEW PRODUCTS
DELIVERED TO
MARKET

Elevating Everyday Moments

ONE ECOYA
PRODUCT
SOLD EVERY

23 seconds



NATURAL SKINCARE THAT WORKS

trilogy® |



NATURAL
COSMETICS
Certified by BioGro
No. 4381

Trilogy Brand Highlights



FY16 saw Trilogy strengthen its position as the no 1 natural skincare brand in New Zealand and reinforce its expertise in pure plant oils and natural skincare in key international markets.

A focus on increased distribution and organic growth, through key accounts in the brand's core markets of New Zealand and Australia, contributed to strong FY16 results. New Zealand revenue increased 104% to \$13.3m, while revenue in Australia was up 46%.

International distribution and ranging expanded in key markets, including the United Kingdom, Hong Kong and the United States of America. Sales and ranging goals were exceeded in the first year of nationwide presence with USA specialist grocery retailer Whole Foods Market, and FY17 will see further expansion into new retail channels there.

New product development was another important growth driver in FY16. The relaunch of the premium Age-Proof line with trademarked ingredient innovation Glycablend™ had the effect of increasing ranging in key retailers beyond the signature Rosehip range. Backed by an integrated international marketing campaign which saw the video 'What I Know Now' viewed almost 800,000 times,

Age-Proof range sales grew by 31% in FY16. Hero product CoQ10 Booster Oil was the key driver, experiencing 34% sales growth.

Make-Up Be Gone Cleansing Balm launched in August 2015, bringing innovation to the cleansing category.

Trilogy's total global revenue for FY16 was \$34.4m, an increase of 69% on the previous year.

The brand's commitment to ethical, environmental and social responsibility was brought to fore in media coverage both at home and abroad. The highlight was a New Zealand television news broadcast covering Trilogy's partnership with not-for-profit So They Can. Called 'The Changing Face of Aid', the segment included a discussion with Helen Clark, Head of the United Nations Development Program in which she commended the practical role Trilogy's business support provided to So They Can.

#1

SKINCARE
BRAND IN NZ
PHARMACY

Discover Nature's Power

+140

INTERNATIONAL
BEAUTY AWARDS
TO DATE

So They Can

Our major social responsibility initiative this year was Trilogy's partnership with So They Can, a not-for-profit organisation investing in areas in severe need in Kenya and Tanzania. Focusing on education and building the local economy through enterprise, not aid, So They Can's projects are designed to build self-sufficiency in these communities, with the aim of ensuring sustainable poverty alleviation.





Raha

Trilogy produced its second natural perfume, Raha, using sunflower oil purchased from a So They Can social business project in Tanzania which teaches women efficient farming practices. A successful media campaign saw the product and partnership featured in influential titles around the world, and a total of \$30,000 was donated, enough to provide an annual income for 50 Tanzanian women farmers and a full year's education for 500 children.

It must be love

or it's
your
money
back*



goodness
NATURAL BEAUTY LAB

GOODNESS FOR YOUR SKIN,
YOUR POCKET AND THE PLANET.

To find your local Goodness stockists, head here: goodnessproducts.com/FindGoodness

*AU/NZ residents only. Between 24/03/16 & 31/05/16, purchase a specially marked Goodness product, retain receipt & if you're not happy with product, visit www.goodnessproducts.com/ItMustBeLove on or before 30/06/16 to submit claim form including uploading receipt/on-pack sticker & receive refund (by EFT) of purchase price (allow 15 days). Max 1 claim per household & max 1 product per claim. Refunds not transferable. See website for full conditions and privacy statement. Promoter: Trilogy Natural Products Ltd (ABN 73 449 286 854).

goodnessproducts.com/ItMustBeLove

Goodness Brand Highlights



Goodness Natural Beauty Lab celebrated its first birthday at the close of FY16 having achieved 4.8% total natural organic dollar market share in New Zealand national grocery (MAT 27/03/16)¹. Developed in-house, Goodness challenges natural and pseudo-natural skincare brands in the grocery channel and is looking to be a category shaker.

The first in Australasia to develop and launch a capsule range based on Certified Organic Chia Seed Oil, Goodness targets an audience of tech-savvy, cash-conscious millennials already using, or interested in switching to, natural skincare.

Marketing efforts this first year focused on the core range, developing brand recognition and educating consumers about the benefits of chia seed oil. Six months after launch, the brand won its first award with Every Day Cream Cleanser named Best Cleanser in the Nature & Health Beauty Awards in Australia. Six months later, hero product Certified Organic Chia Seed Oil won Best Face Oil in the prestigious Bauer New Zealand Best in Beauty Awards 2016.

With a strong emphasis on digital and social media to reach its target customers, the bold, fresh tone of the brand's marketing and media relations activities attracted a solid, engaged and growing customer

base. At year-end, the Goodness Facebook page counted over 15,000 fans and its Instagram account had 3,000 followers.

Goodness achieved and exceeded distribution targets in both current markets, with more than 1,600 doors across New Zealand and Australia, including recent expansion into over 800 Woolworths stores in Australia and over 50 The Warehouse stores in New Zealand.

While broadening distribution will continue to be a priority, particularly in Australia, FY17 will see greater focus given to new product development, continuing customer acquisition and creative, disruptive marketing and promotions.

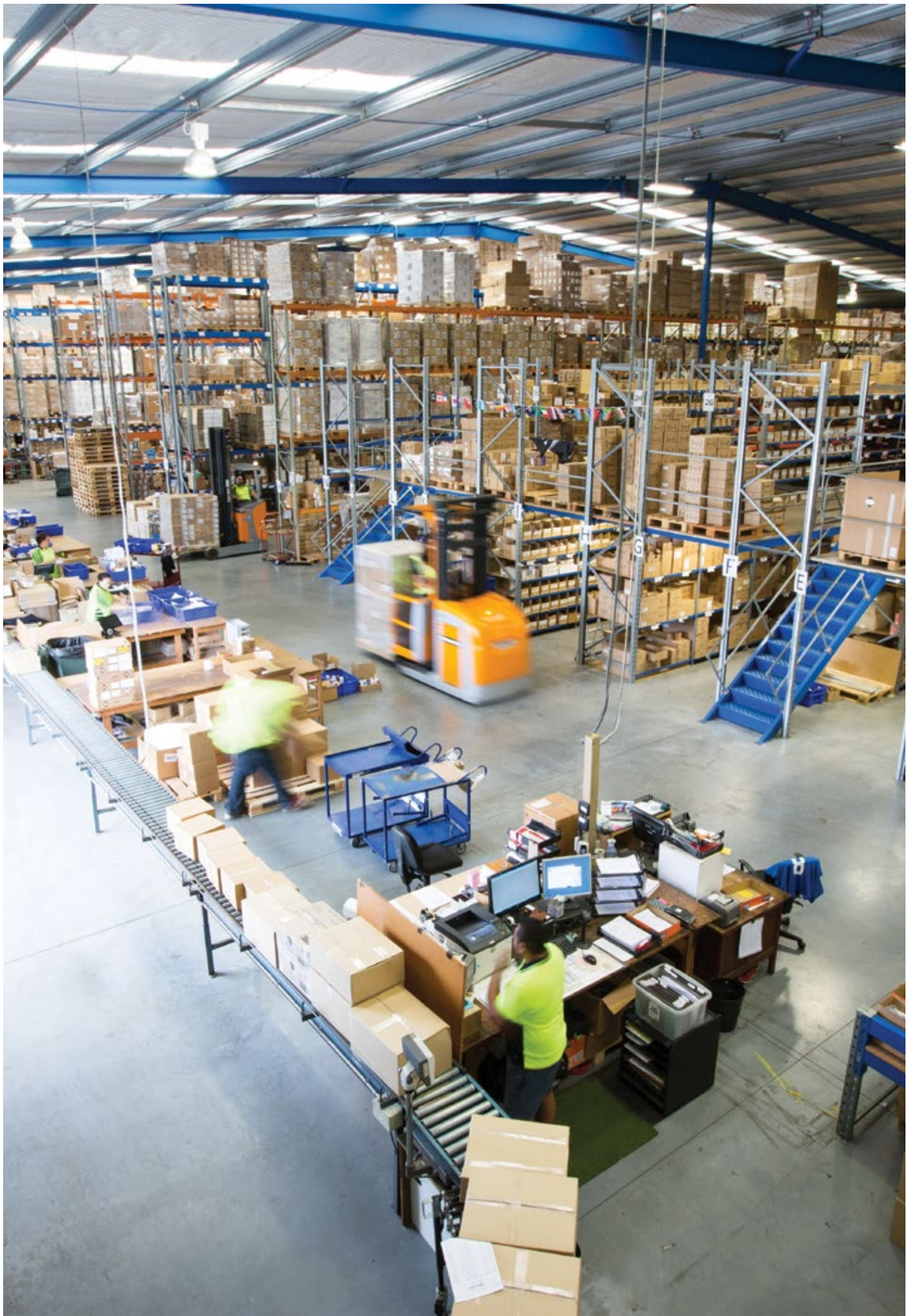


Goodness for your skin, your pocket & the planet

1,600+

DOORS ACROSS
AUSTRALIA &
NEW ZEALAND

¹ IRI MarketEdge, National Grocery, Total natural organic segment, Value Sales MAT 27/03/16



CS&Co Highlights



In August 2015, TIL acquired CS&Co, New Zealand's largest independent importer and distributor of fragrances, cosmetics and toiletries.

Founded in 1976, the company is a major player in the New Zealand beauty and cosmetics industry with 33% share in the fragrance market and 13% share of the makeup market.

The business model boasts long standing brand partnerships, strong relationships with major retail partners and brings expertise in the international beauty and cosmetics industry.

Representing 16 brand principals, CS&Co distributes 69 brands in over 1900 New Zealand retail doors.

The channels to market include pharmacies, department stores, salons and grocery. The existing distribution networks complement the existing business channels and brands of TIL.

The company has impressive warehousing and distribution facilities located close to Auckland International Airport and covering 3,300sqm.

In the seven and a half months since acquisition the business

has continued to trade strongly, highlighted by the financial impact to TIL, adding \$28.6m in revenue and \$4.8m in EBITDA in the trading period since acquisition.

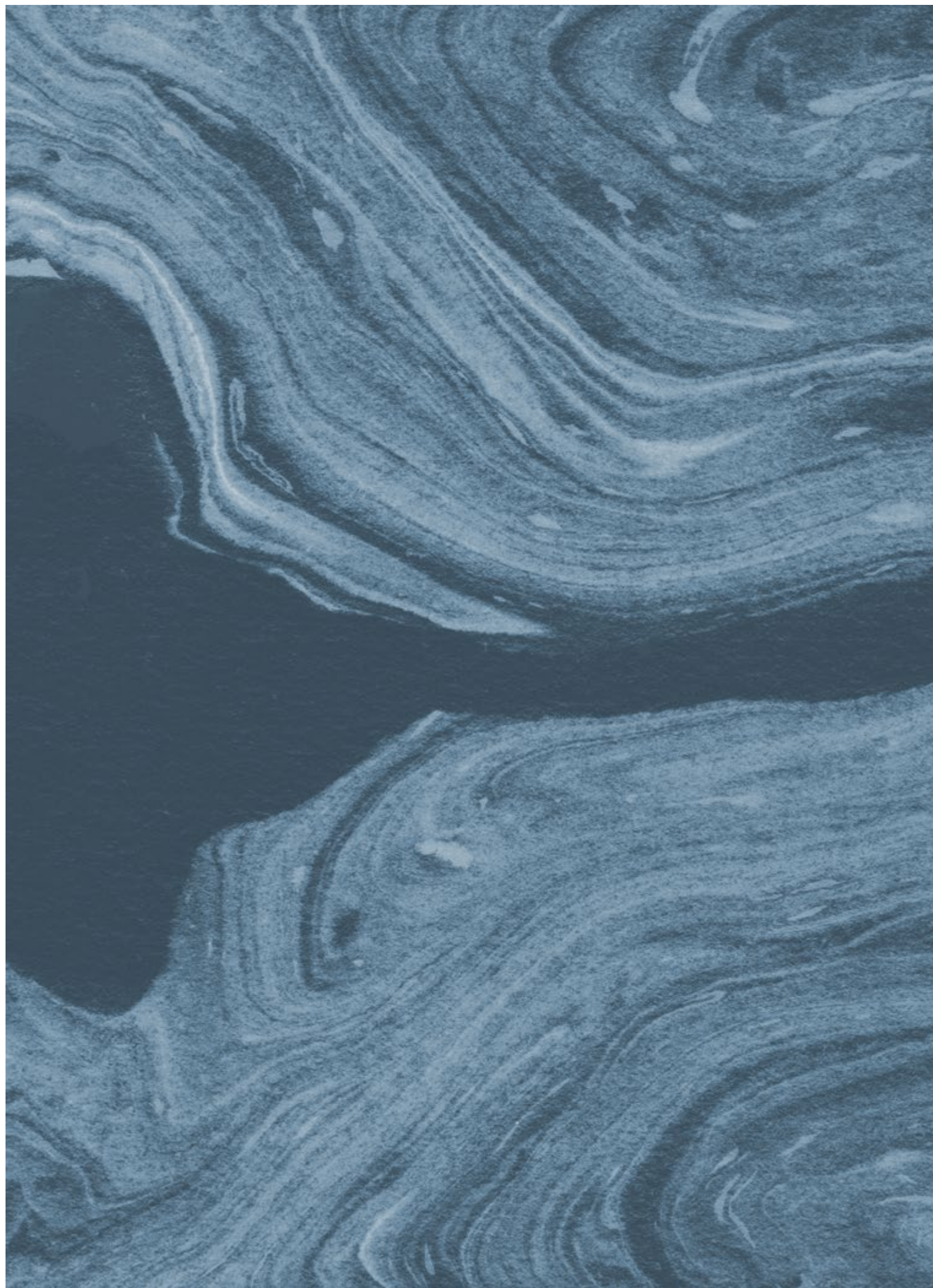
The core strategic focus over the past two decades has been to grow the business across all three segments of beauty, fragrance and salon. The strategy under TIL ownership will not change, with continued focus on developing the distribution network in New Zealand and offering a best in class service to existing and new brand principals, whilst providing them with a one fit solution in the New Zealand market place.

In addition to ensuring a premium distribution offering and service, the company continues to look at business development opportunities by sourcing on-trend worldwide brands which would fit within and complement the existing brand portfolio. In the year ahead and beyond, CS&Co will drive organic growth of its existing brands through the appropriate level of investment within the New Zealand market.

5%
YoY
REVENUE
GROWTH

#1
BEAUTY
DISTRIBUTOR
IN NEW ZEALAND

69
BRANDS
ACROSS
NEW ZEALAND





SECTION 02

Directors' Responsibility Statement



Directors' Responsibility Statement

The Board of Directors has pleasure in presenting the annual report of Trilogy International Limited ('the Company') and its subsidiaries (together 'the Group'), incorporating the financial statements and the auditors' report, for the year ended 31 March 2016.

The directors are responsible on behalf of the Company for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which fairly present the financial position of the Group as at 31 March 2016 and the results of the Group's operations and cash flows for the year ended on that date.

The directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial

reporting and accounting standards have been followed.

The directors confirm that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance with the Financial Markets Conduct Act 2013.

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

The Board of Directors of the Group authorised these financial statements presented on pages 44 to 82 for issue on 26 May 2016.

For and on behalf of the Board.



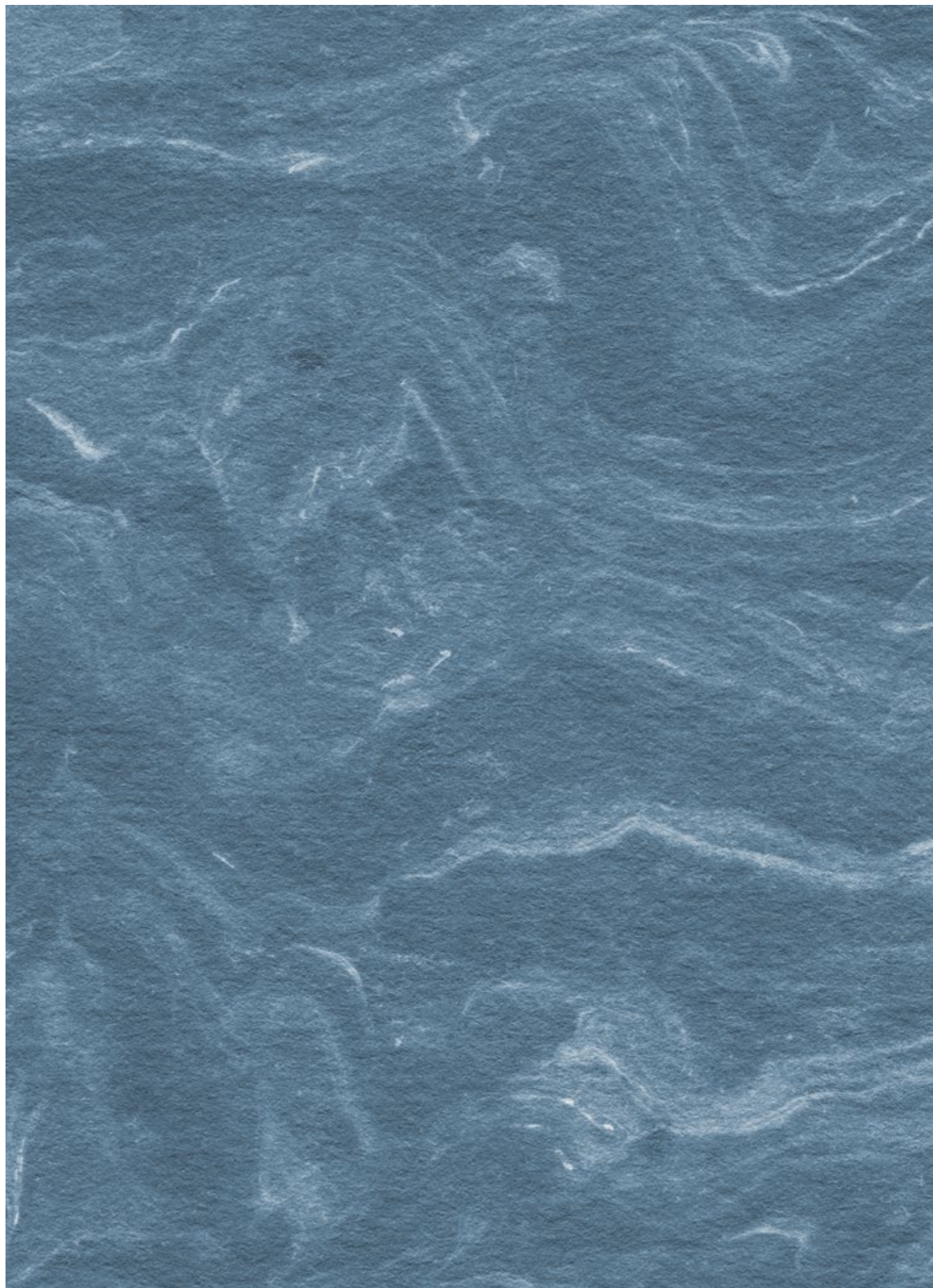
Geoff Ross
CHAIRMAN

26 May 2016



Stephen Sinclair
DIRECTOR

26 May 2016





SECTION 03

Board of Directors & Management Team

Directors' Profiles

1



3



4



2



5



1.

Geoff Ross

CHAIRMAN

(Auckland, NZ)

Geoff was the founder and Chief Executive Officer of 42 Below Limited, which was a listed company for three years prior to its sale to Bacardi in late 2006. Geoff is also Chief Executive Officer of Moa Group Limited, an NZX listed Company focused on the craft brewing market. Prior to 42 Below, he was a Managing Partner and Board Member of DDB Advertising for two years and was a Client Service Director and Management Team Member for Saatchi & Saatchi in Wellington for eight years. Geoff is also a Trustee of the Melanoma Foundation and Pure Advantage. Geoff has a Bachelor of Commerce (Agriculture).

2.

Stephen Sinclair

EXECUTIVE DIRECTOR

(Auckland, NZ)

Stephen has been with the Group since 2008 and has held the roles of Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. In his current role as an Executive Director, he leads a subcommittee of the Board, to which CS Company reports. Stephen was Chief Financial Officer of 42 Below as well as an Executive Director and Company Secretary. Stephen assisted Bacardi with the business integration following its acquisition of 42 Below. Prior to this, he spent 13 years with PricewaterhouseCoopers.

3.

Grant Baker

DIRECTOR

(Auckland, NZ)

Grant was the Executive Chairman of 42 Below Limited before its sale to Bacardi in 2006 and has experience within numerous New Zealand businesses. He has previously held a number of senior business positions, including Chief Executive and Executive Director of Blue Star Group Limited, Chairman and founding Director of EFTPOS retailer Netco Limited, as well as serving as Executive Chairman of Empower Limited. Grant is currently Chairman of Turners Limited and Chairman of the New Zealand cancer charity GICI (Gastro Intestinal Cancer Institute Limited).

4.

Jack Matthews

INDEPENDENT DIRECTOR

(Queenstown, NZ)

Jack Matthews has an extensive background in the media, telecommunications and technology industries. Prior to moving into non-executive director roles, Jack held the position of Chief Executive Officer of Fairfax Media's Metro Division where he was responsible for managing and integrating the print, online and mobile assets of The Sydney Morning Herald, The Age and The Canberra Times. Prior to that, he was Chief Executive Officer of Fairfax Digital, Chief Operating Officer of Jupiter TV (Japan) and Chief Executive Officer of TelstraSaturn (Wellington). Jack currently sits on the boards of Crown Fibre Holdings, The Network for Learning and Mediaworks, all based in Auckland, as well as APN Outdoor Group Limited, based in Sydney. Jack is also Chairman of Rewardle Holdings, based in Melbourne.

5.

Mandy Sigaloff

INDEPENDENT DIRECTOR

(Sydney, Australia)

Mandy comes from a media background, publishing magazines in both UK and Australia for Emap PLC before moving into digital media in the boom of 2000. She launched OSOYOU for Bright Station Ventures, which become part of the biggest online fashion network in Europe. She lives in Australia where she was listed as Business Woman of the Year in 2012 by Australia's Dynamic Business. Mandy runs an advertising agency, launches websites and consults in e-commerce and digital marketing. She is a Member of Australian Institute of Company Directors (MAICD).

Management Team Profiles

1



4



2



5



3



6



1.

Angela Buglass

CHIEF EXECUTIVE OFFICER

Angela holds full P&L responsibility for TIL's consumer brands: Trilogy, ECOYA and Goodness. She joined Trilogy in 2014, after returning from 15 years in the United Kingdom, and was appointed CEO of TIL in July 2015. Her last role in the United Kingdom was Vice President Marketing for LF Beauty, part of the global sourcing giant Li & Fung, where her core focus was brand growth and development within the United Kingdom and Asia. Angela's career in the beauty industry includes roles with Procter & Gamble, L'Oreal and the AVEDA brand at Estée Lauder. She has worked across the cosmetics, skincare/spa, haircare/salon and fragrance categories, with functional experience encompassing sales, brand marketing, product sourcing/new product development, display merchandising and new market expansion.

2.

Lindsay Render

CHIEF FINANCIAL OFFICER

Lindsay was appointed Chief Financial Officer in 2015 and is responsible for leading all financial aspects of the business, with a focus on growing the business in a commercially sound way. Prior to joining TIL, she was Head of Finance in the Home Mobile Business team at Spark, leading a large team of management accountants and Finance Managers. She previously spent circa nine years at Vodafone in similar commercial roles, after foundational years in financial accounting roles. Lindsay has a Bachelor of Business Studies and is a qualified Chartered Accountant.

3.

Kristy MacGregor

OPERATIONS MANAGER

Kristy leads the operations team responsible for supply chain activity across TIL's consumer brands; Trilogy, ECOYA and Goodness. She joined Trilogy in 2010 and extended her responsibilities to include ECOYA when the brands came together under TIL in 2011. Prior to this Kristy spent six years in the UK working for multi-channel retailer Sit-Up TV, a Virgin Media company, across roles including distribution planning, project management and business development.

4.

Brooke Riley

CULTURE & PEOPLE MANAGER

Brooke joined TIL in 2015 to help transition the Trilogy team from Wellington to Auckland, and to establish the new global TIL headquarters in Britomart. Her position will play a pivotal role in the management team as the business embarks on its next phase of growth. A key element of her role is to enable TIL's success through hiring the right candidates and growing the abilities of the existing staff. She is passionate about workplace culture and people; her aim is to see TIL become known as an employer of choice, resulting in a high performance workplace where the team can thrive.

5.

Louise Clayton

TRILOGY BRAND GENERAL MANAGER

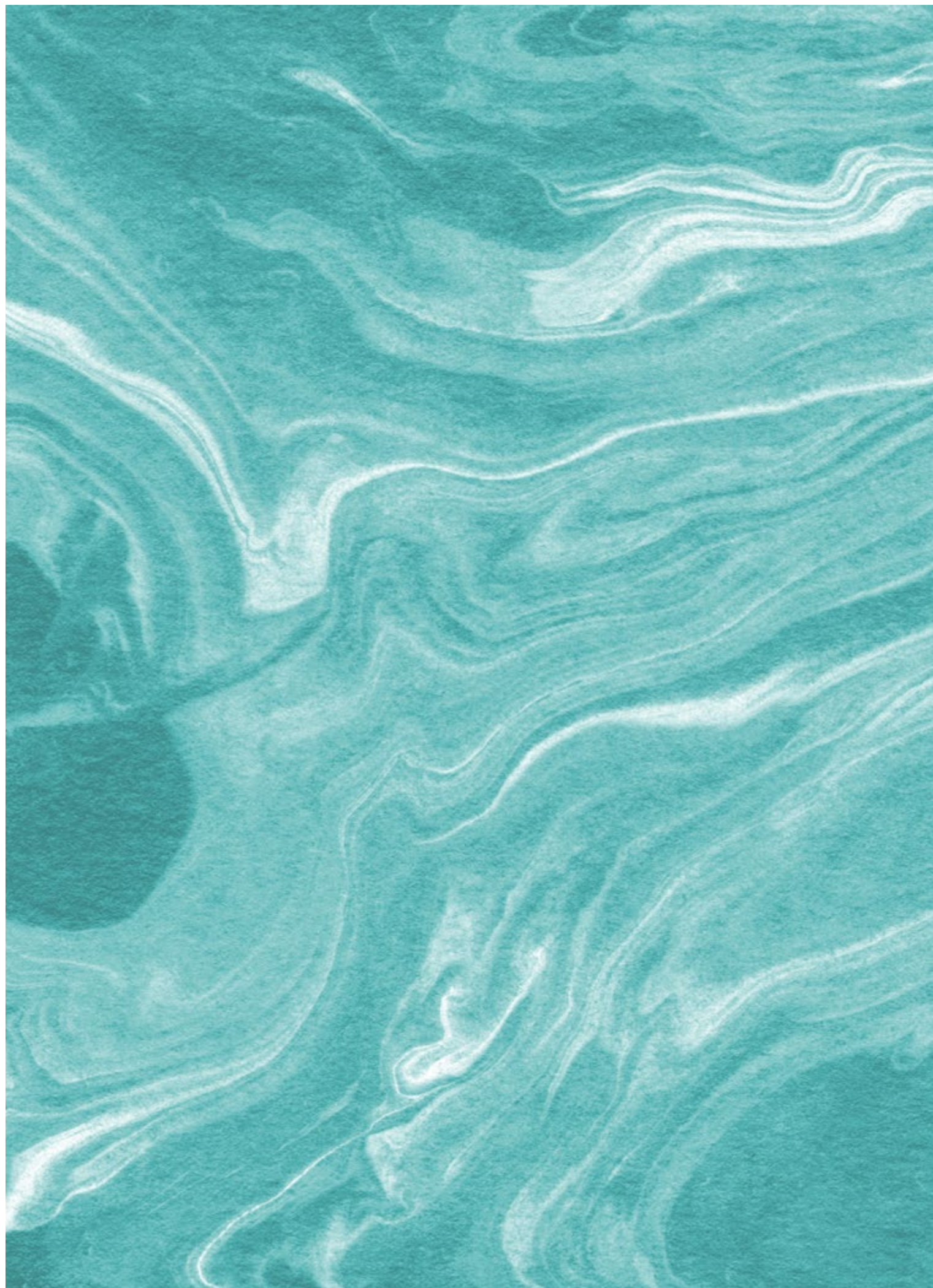
Louise leads the sales, marketing and education teams for Trilogy and Goodness. She has over 20 years' experience helping key accounts and sales teams realise success through selling quality brands in beauty and health channels. Having represented brands within the cosmetics, hair care, skincare, supplements, accessories and OTC pharmaceutical categories, her experience has given her the opportunity to drive international brands through a variety of management roles across sales, key account, field and brand.

6.

Claire Barnes

ECOYA BRAND GENERAL MANAGER

Claire has worked within the ECOYA business since 2009. She joined the company in a regional sales position, then moved into a Sales Manager role and, most recently, Sales and Marketing Manager across Australia and New Zealand. Claire has over 10 years' sales and marketing experience. Prior to ECOYA, Claire held roles including Marketing Manager at fashion brand Moochi, marketing consultancy within the advertising industry and various account manager roles for NZ Magazines, including the L'Oreal account. Claire is a creative entrepreneurial thinker, with strong knowledge around brand strategy implementation. She is passionate about the people and the growth of the ECOYA business.





SECTION 04

Corporate Governance

Corporate Governance

The overall responsibility for ensuring that Trilogy International Limited (the “Company”) is properly managed to enhance investor confidence through corporate governance and accountability lies with the Board of Directors. On 27 May 2010 the Board of Directors adopted a corporate governance code (“Code”). A copy of the code is available on the Trilogy International website www.trilogyproducts.com/investors.

The Code is generally consistent with the principles identified by the Financial Markets Authority

‘Corporate Governance in New Zealand Principles and Guidelines’. The Code materially complies with the NZX Corporate Governance Best Practice Code, except that the Audit Committee is not comprised solely of non-executive directors.

The Company will continue to monitor best practice in the governance area and update its policies to ensure it maintains the most appropriate standards.

Our principal governance disclosures are outlined in this report.

The Board of Directors

The Board has ultimate responsibility for the strategic direction of the Company and supervision of the Company’s management for the benefit of shareholders.

The specific responsibilities of the Board include:

- Working with management to set the strategic direction of the Company.
- Monitoring and working with management to direct the business and financial performance of The Company.

- Monitoring compliance and risk management.
- Establishing and monitoring TIL’s health and safety policies.
- Establishing and overseeing succession plans for senior management.
- Ensuring effective disclosure policies and procedures are adopted.

The Board met eleven times during the financial year, including sessions to consider the Company’s strategic direction and business plans.

Board Meeting and Committee Attendance

	Board Meeting	Audit & Risk Management Committee
Geoff Ross	11	N/A
Grant Baker	11	N/A
Stephen Sinclair	9	3
Mandy Sigaloff	11	3
Jack Matthews	10	3

Ethical Conduct

The Code includes a policy on business ethics which is designed to govern the Board’s conduct. The Code addresses conflicts of interest, receipt of gifts, confidentiality and fair business practices.

Board Membership

The Board currently consists of two independent directors and three executive directors, who are elected based on the value they bring to the Board.

Each director is a skilled and experienced business person. Together they provide value by making quality contributions to corporate governance matters, conceptual thinking, strategic planning, policies and providing guidance to management.

As at 31 March 2016 the Board consisted of:

Geoff Ross	Chairman
Stephen Sinclair	Executive Director
Grant Baker	Executive Director
Mandy Sigaloff	Independent Director
Jack Matthews	Independent Director

On 30 April 2015, Sarah Gibbs resigned from the role of non-executive director.

Profiles of current board members are shown on page 26.

The number of elected directors and the procedure for their retirement and re-election at annual meetings of shareholders are set out in the Constitution of the Company.

Director Independence

In order for a director to be independent, the Board has determined that he or she must not be an executive of the Company and must have no disqualifying relationship as defined in the corporate governance code and the NZX Main Board Listing Rules.

The Board has determined that Jack Matthews and Mandy Sigaloff are independent directors.

Geoff Ross, Grant Baker and Stephen Sinclair were not independent directors as at 31 March 2016.

Nomination and Appointment of Directors

The Board is responsible for identifying and recommending candidates. Directors may also be nominated by shareholders under NZSX Listing Rule 3.3.5.

A director may be appointed by ordinary resolution and all directors are subject to removal by ordinary resolution.

The Board may at any time appoint additional directors. A director appointed by the Board shall only hold office until the next annual meeting of the Company, but shall be eligible for election at that meeting.

One third of directors shall retire from office at the annual meeting each year. The directors to retire shall be those who have been longest in office since they were last elected or deemed to be elected.



Disclosure of Interests by Directors

The Code sets out the procedures to be followed where directors have an interest in a transaction or proposed transaction or are faced with a potential conflict of interest requiring the disclosure of that conflict to the Board. The Company maintains an interests register in which particulars of certain transactions and matters involving directors are recorded. The interests register for the Company is available for inspection at its registered office.

Directors' Share Dealings

The Company has adopted a securities dealing policy which sets out the procedure to be followed by directors and staff when trading in the Company's listed securities, to ensure that no trades are effected whilst that person is in possession of material information which is not generally available to the market. Details of directors' share dealings are outlined on page 89.

Indemnification and Insurance of Directors and Officers

The Company has directors' and officers' liability insurance with AIG which ensures that generally, directors and officers will incur no monetary loss as a result of actions undertaken by them.



Board Committees

The Board has two formally constituted committees of directors. These Committees, established by the Board, review and analyse policies and strategies, usually developed by management, which are within their terms of reference. The Committees examine proposals and, where appropriate, make recommendations to the Board. Committees do not take action or make decisions on behalf of the Board unless specifically authorised to do so by the Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for

overseeing the risk management (including treasury and financing policies), treasury, insurance, accounting and audit activities of TIL, and reviewing the adequacy and effectiveness of internal controls, meeting with and reviewing the performance of external auditors, reviewing the consolidated financial statements, and making recommendations on financial and accounting policies.

The members of the Audit and Risk Management Committee are Stephen Sinclair, Mandy Sigaloff and Jack Matthews.

The Audit and Risk Management Committee met on 21 May 2015, 18 November 2015 and 24 March 2016.

Remuneration Committee

The Remuneration Committee is responsible for overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for the executive directors and senior management, and recommending to the full Board the remuneration of directors.

The members of the Remuneration Committee are Geoff Ross, Mandy Sigaloff and Jack Matthews.

During the year all remuneration issues were reviewed within the normal Board meetings.



Remuneration

Remuneration of directors and executives is the key responsibility of the Remuneration Committee. Details of directors' and executives' remuneration and entitlements are detailed on pages 76 to 80 and 89 to 90.

Directors' Remuneration

The directors' fees for the non-executive directors of TIL have been fixed, with Sarah Gibbs receiving A\$40,000 and the remaining non-executive directors receiving NZ\$50,000 each. To provide the flexibility, the existing shareholders have approved an aggregate cap on non-executive directors' fees of A\$150,000 for the purpose of NZX Main Board Listing Rule 3.5. At the election of each

independent director, directors' fees may be paid in part or whole by issue of shares in accordance with the NZX Main Board Listing Rules.

TIL has access to the executive directors through a consultancy agreement with The Business Bakery LP ("The Bakery"). The Bakery has entered into a consultancy agreement with the Company, pursuant to which it has agreed to make Geoff Ross, Stephen Sinclair and Grant Baker available to TIL to provide specialist management and executive services. Under the consultancy agreement, TIL paid a consultancy fee of NZ\$602,500 plus GST to The Bakery in respect of services provided for the year ended 31 March 2016.

Bill & George's Investments Ltd (associated with non-executive director Sarah Gibbs) receives director's fees on behalf of Sarah Gibbs based on an annual fee of A\$40,000. Total payments made under these agreements during the year were \$4,167.

The directors are also entitled to be paid for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with TIL's business.

Managing Risk

The Board has overall responsibility for the company's system of risk management and internal control and has procedures in place to provide effective control within the management and reporting structure.

Financial Statements are prepared monthly and reviewed by the Board progressively during the year to monitor performance against budget goals and objectives. The Board also requires managers to identify and respond to risk exposures.

A structured framework is in place for capital expenditure, including appropriate authorisations and approval levels.

The Board maintains an overall view of the risk profile of the Company and is responsible for monitoring corporate risk assessment processes.

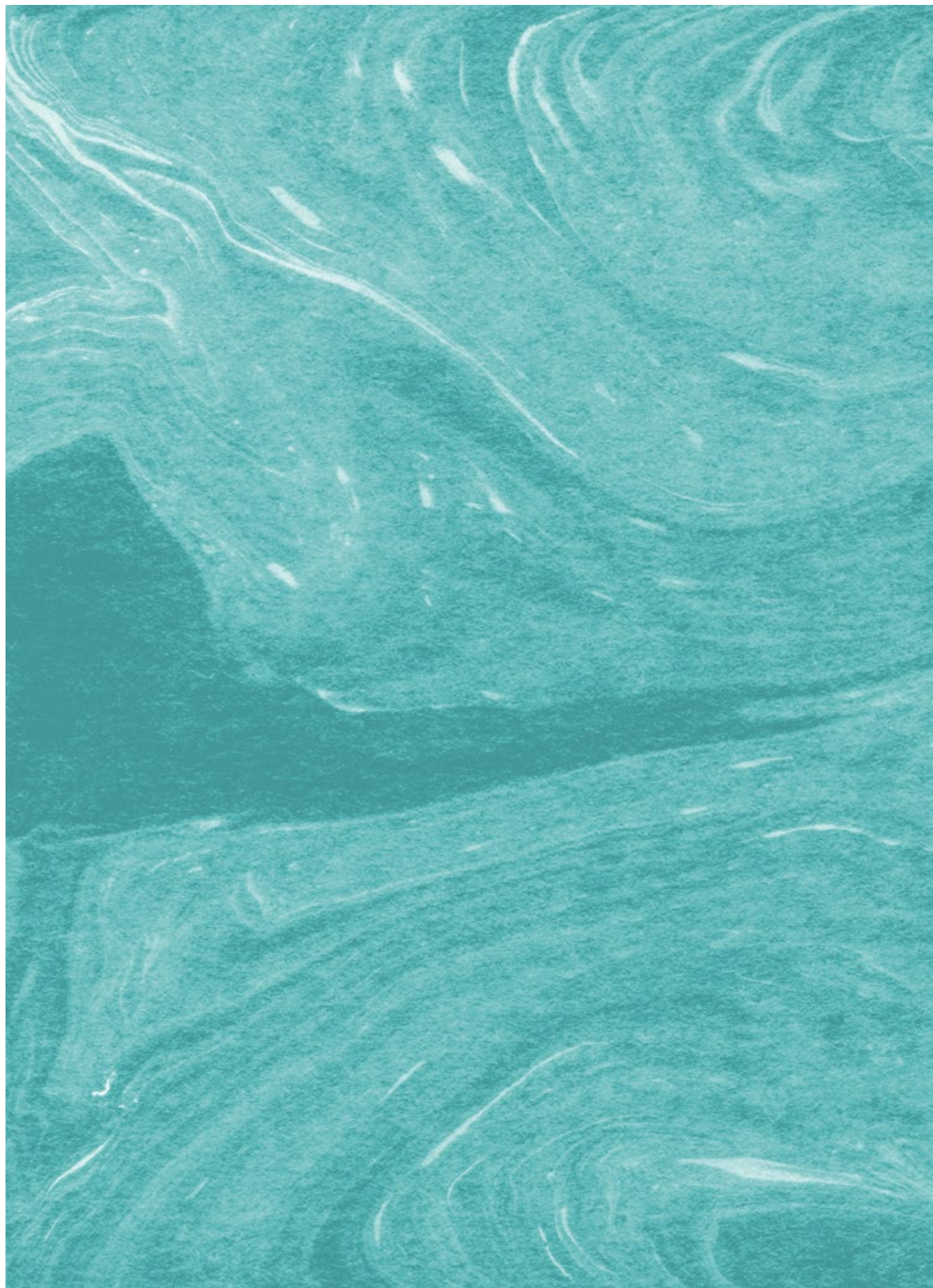
Disclosure

The Company adheres to the NZX continuous disclosure requirements which govern the release of all material information that may affect the value of the Company's listed shares or warrants. The Board and senior management team have processes in place to ensure that all material information flows up to the Chairman with a view to consultation with the Board and disclosure of that information if appropriate.

Auditors

PricewaterhouseCoopers acted as auditors of the Company, and has undertaken the audit of the financial statements for the 31 March 2016 year and provided other services to the Company for which they were remunerated. Particulars of the audit and other fees paid during the year are set out on page 64.





SECTION 05

Auditors' Report



Independent Auditors' Report

to the shareholders of Trilogy International Limited

1. Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Trilogy International Limited ("the Company") on pages 44 to 82, which comprise the consolidated statement of financial position as at 31 March 2016, the consolidated statement of comprehensive income, the consolidated statement of movements in equity and the consolidated statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 March 2016 or from time to time during the financial year.

Directors' Responsibility for the Consolidated Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these consolidated financial statements in

accordance with New Zealand Equivalents to International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement



of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the consolidated financial statements.

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

We are independent of the Group. Our firm carries out other services for the Group in the area of other advisory services. The provision of these other services has not impaired our independence.

Opinion

In our opinion, the consolidated financial statements on pages 44 to 82 present fairly, in all material respects, the financial position of the Group as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

2. Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.



PricewaterhouseCoopers

Chartered Accountants

AUCKLAND

26th May 2016



SECTION 06

Financial Statements

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Statements of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 \$'000	2015 \$'000
Revenue	5	83,128	36,600
Cost of sales		(38,352)	(13,826)
Gross profit		44,776	22,774
Other gains/(losses) - net	6	51	290
Expenses	7		
Distribution		(2,369)	(1,754)
Sales & marketing		(17,853)	(10,667)
Administration		(9,011)	(5,653)
Contingent consideration remeasurement	20	(402)	-
Acquisition costs		(262)	-
Finance income	8	18	10
Finance costs	8	(1,840)	(391)
Profit before income tax		13,108	4,609
Income tax expense	9	(3,699)	(86)
Profit for the year		9,409	4,523
Other comprehensive income - items that may be reclassified subsequently to profit and loss			
Foreign currency translation, net of tax	23	733	(400)
Total comprehensive income for the year		10,142	4,123

	Notes	Dollars	Dollars
Earnings per share for profit attributable to the ordinary equity holders of the Company during the period:			
Basic earnings per share	28	0.15	0.07
Diluted earnings per share	28	0.15	0.07

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of Financial Position

AS AT 31 MARCH 2016

	Notes	2016 \$'000	2015 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	4,352	2,674
Trade and other receivables	11	14,443	5,861
Derivative financial instruments	19	68	191
Inventories	12	21,024	6,061
Total current assets		39,887	14,787
Non-current assets			
Plant and equipment	14	2,732	990
Intangible assets	16	50,382	17,529
Deferred tax asset	15	399	878
Total non-current assets		53,513	19,397
Total assets		93,400	34,184
Current liabilities			
Trade and other payables	17	12,089	4,872
Tax payable		1,195	474
Interest bearing liabilities	18	4,803	-
Derivative financial instruments	19	10	-
Deferred and contingent consideration	20	1,500	-
Total current liabilities		19,597	5,346
Non-current liabilities			
Interest bearing liabilities	18	30,350	1,600
Deferred and contingent consideration	20	8,038	-
Total non-current liabilities		38,388	1,600
Total liabilities		57,985	6,946
Net assets		35,415	27,238
EQUITY			
Contributed equity	22	32,613	32,448
Reserves	23	(257)	(1,183)
Retained earnings/(accumulated losses)		3,059	(4,027)
Equity attributable to equity holders of Trilogy International Limited		35,415	27,238

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

Statements of Movements in Equity

FOR THE YEAR ENDED 31 MARCH 2016

Attributable to equity holders of Trilogy International Limited

	Notes	Share capital \$'000	Retained earnings/ (accumulated losses) \$'000	Reserves \$'000	Total \$'000
Balance as at 1 April 2014		32,356	(8,550)	(820)	22,986
Profit for the year		-	4,523	-	4,523
Foreign currency translation movement	23(a)	-	-	(400)	(400)
Total comprehensive income		-	4,523	(400)	4,123
Transactions with shareholders					
<i>Issue of ordinary shares:</i>	22				
shares in lieu of Directors' fees		95	-	-	95
share issue costs		(3)	-	-	(3)
Share based payments	23(b)	-	-	37	37
Balance as at 31 March 2015		32,448	(4,027)	(1,183)	27,238
Balance as at 1 April 2015		32,448	(4,027)	(1,183)	27,238
Profit for the year		-	9,409	-	9,409
Foreign currency translation movement	23(a)	-	-	733	733
Total comprehensive income		-	9,409	733	10,142
Transactions with shareholders					
<i>Issue of ordinary shares:</i>	22				
shares in lieu of Directors' fees		92	-	-	92
employee share options exercised		75	-	-	75
share issue costs		(2)	-	-	(2)
Dividends paid	29	-	(2,323)	-	(2,323)
Share based payments	23(b)	-	-	193	193
Balance as at 31 March 2016		32,613	3,059	(257)	35,415

The above statements of movements in equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Year ended 2016 \$'000	Year ended 2015 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		89,577	39,564
Payments to suppliers and employees (inclusive of goods and services tax)		(79,173)	(33,989)
Interest received		18	10
Interest paid		(1,819)	(392)
Taxation paid		(2,935)	(479)
Net cash inflow from operating activities	27	5,668	4,714
Cash flows from investing activities			
Payments for plant and equipment		(1,238)	(143)
Sales of plant and equipment		13	-
Payments for intangible assets		(294)	(160)
Acquisition of subsidiary, net of cash acquired	21	(33,946)	-
Net cash outflow from investing activities		(35,465)	(303)
Cash flows from financing activities			
Proceeds from borrowings	18	40,910	1,850
Repayment of borrowings	18	(8,160)	(4,750)
Net proceeds from issue of shares	22	58	(3)
Dividends paid	29	(2,323)	-
Net cash inflow / (outflow) from financing activities		30,485	(2,903)
Net increase in cash and cash equivalents		688	1,508
Cash and cash equivalents at the beginning of the period		2,674	1,185
Exchange gains/(losses) on cash and cash equivalents		187	(19)
Cash and cash equivalents at end of period		3,549	2,674
Composition of cash and cash equivalents:			
Cash and cash equivalents	10	4,352	2,674
Overdraft	18	(803)	-
		3,549	2,674

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

1. General Information

Trilogy International Limited ('the Company') and its subsidiaries (together 'the Group') is a manufacturer and wholesaler of products in the home fragrance, bodycare and natural products categories and distributor of personal fragrance and beauty products. Its major markets are New Zealand and Australia. The Group has manufacturing operations in Australia and the head office is based in New Zealand.

Trilogy International Limited is a limited liability company incorporated and domiciled in New Zealand, is a company registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The registered office is Level 6, 85 Fort Street, Auckland.

These financial statements have been approved for issue by the Board of Directors on 26 May 2016.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied through the periods presented, unless otherwise stated.

New and amended standards adopted by the Group.

There are no new standards or amendments that have been adopted by the Group.

(a) Basis of preparation

The Directors have prepared the financial statements on the basis that the Group is a going concern.

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

The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Main Board Listing Rules. In accordance with the Financial Markets Conduct Act 2013, because group financial statements are prepared and presented for the Group, separate financial statements for Trilogy International Limited are no longer required.

The preparation of financial statements in accordance with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments (including derivative financial instruments) at fair value through profit or loss.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Trilogy International Limited ('Company' or 'parent entity') as at 31 March 2016 and the results of all subsidiaries for the period then ended. Trilogy International Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group.

FOR THE YEAR ENDED 31 MARCH 2016

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, 'the functional currency'. The consolidated financial statements are presented in New Zealand dollars, which is Trilogy International Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss component of the statement of comprehensive income,

except when recognised in other comprehensive income as qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss component of the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss component of the statement of comprehensive income within 'other gains/(losses) net'.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position item presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each 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 in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to other comprehensive income. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the profit and loss component of the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(d) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value added tax (including Goods and Services Tax), rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

FOR THE YEAR ENDED 31 MARCH 2016

(i) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(e) Income tax

The income tax expense or revenue for the period is the total of the current period's taxable income based on the national income tax rate for each jurisdiction plus/minus any prior years' under/over provisions, plus/minus movements in the deferred tax balance except where the movement in deferred tax is attributable to a movement in reserves.

Movements in deferred tax are attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and any unused tax losses or credits. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The income tax expense or revenue attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Current and deferred tax assets and liabilities of individual entities are reported separately

in the consolidated financial statements unless the entities have a legally enforceable right to make or receive a single net payment of tax and the entities intend to make or receive such a net payment or to recover the current tax asset or settle the current tax liability simultaneously.

(f) 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.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss component of the statement of comprehensive income on a straight line basis over the period of the lease.

(h) Financial instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, derivative financial instruments, borrowings and contingent consideration.

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts. Trade receivables are due for settlement between 30-90 days from invoice date.

FOR THE YEAR ENDED 31 MARCH 2016

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The loss is recognised in the profit and loss component of the statement of comprehensive income within 'sales & marketing expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'sales & marketing expense' in the statement of comprehensive income.

(k) Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and financial assets at fair value through profit and loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial.

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(ii) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. For accounting purposes, derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

Purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, and discounted cash flow analysis.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of cash and cash equivalents, receivables, payables and accruals and the current portion of borrowings are assumed to approximate their fair values due to the short term maturity of these investments. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

Details of the techniques used to fair value contingent consideration are given in note 21(d).

(m) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks. The Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are re-measured at their fair value at subsequent reporting dates. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Up to and including 31 March 2016, the Group has not designated the forward foreign exchange contracts used as hedging instruments, therefore the derivatives do not qualify for hedge accounting.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

FOR THE YEAR ENDED 31 MARCH 2016

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the profit and loss component of the statement of comprehensive income.

(n) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(o) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the diminishing value method to expense the cost of the assets over their useful lives. The rates are as follows:

PLANT & EQUIPMENT	FURNITURE & OFFICE EQUIPMENT
5-67%	13-67%
DISPLAY EQUIPMENT	MOTOR VEHICLES
13-46%	30%
ASSETS UNDER CONSTRUCTION	
0%	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss component of the statement of comprehensive income.

(p) Intangible assets*(i) Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to the cash generating units for the purpose of impairment testing and is monitored at the operating segment level.

(ii) Trademarks

Trademarks have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

(iii) Software and website development costs

Software and website development costs have a finite useful life. Software and website development costs are capitalised and written off over the useful economic life of 3 to 4 years.

(iv) Brands

Acquired brands are recorded under the heading Intangible Assets in the statement of financial position at fair value on acquisition of the brands. Where the brands have a substantial and long term sustainable value and continued investment is made in the brand e.g. through advertising expenditure, the brand is deemed to have an indefinite life and is therefore not amortised.

FOR THE YEAR ENDED 31 MARCH 2016

Brands are reviewed annually for impairment or whenever events or changes in circumstances indicate the carrying value of the brand may be impaired. No deferred tax is recognised on brands as they are deemed to have an indefinite life and therefore are not being consumed through use.

(q) Impairment of non financial assets

Non financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(r) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 and 60 days of recognition.

(s) Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss component of the statement of comprehensive income over the period of the borrowings using the effective interest method. Arrangement fees are amortised over the term of the loan facility. Other borrowing costs are expensed as incurred.

Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(t) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Retirement benefit obligations

Contributions to defined contribution superannuation schemes are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Directors' fees

Directors can elect to take their fees in shares at average market prices for the period instead of cash (note 20). The fair value of shares issued is recognised as an expense.

(u) Contributed equity

Ordinary shares are classified as equity.

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

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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(w) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

(x) Share schemes

The fair value of share schemes, under which the Company receives services from directors and employees as consideration for equity instruments of the Company, is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any equity market performance conditions and excluding the impact of any service and non-market performance vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity over the remaining vesting period. When the options are exercised the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

(y) Standards, amendments and interpretations to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory and of relevance for the Group's accounting periods beginning on or after 1 April 2016 or later periods.

(i) Standard and Interpretations early adopted by the Group

The Group has not early adopted any new accounting standard and IFRIC interpretations in the current financial period.

(ii) Standards, amendments and interpretations to existing standards that are relevant to the Group, not yet effective and have not been early adopted by the Group

NZ IFRS 9: 'Financial Instruments' (Effective date: periods beginning on or after 1 January 2018)

NZ IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.

NZ IFRS 15: 'Revenue from contracts with customers' (Effective date: periods beginning on or after 1 January 2018)

NZ IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The

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Group intends to adopt NZ IFRS 15 on its effective date and is currently assessing its full impact.

NZ IFRS 16: Leases (Effective date: periods beginning on or after 1 January 2019)

NZ IFRS 16, 'Leases', replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted but only in conjunction with NZ IFRS 15, 'Revenue from Contracts with Customers'. The Group intends to adopt NZ IFRS 16 on its effective date and has yet to assess its full impact.

(z) Segmental reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer, Chief Financial Officer and the Board of Directors.

3. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and aging analysis for credit risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters while optimising the return on risk.

(i) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, being NZ dollars (NZD) and Australian dollars (AUD). The currency risk arises primarily with respect to purchases of materials in US dollars (USD) and NZ dollars by the Australian subsidiary, product purchases in US dollars (USD) and AU dollars (AUD) by the New Zealand subsidiary and sales to international customers in US dollars

(USD), GB pounds (GBP) Euros (EUR), and Japanese Yen (JPY) by the New Zealand subsidiaries.

After allowing for natural hedges, the Group uses forward foreign exchange contracts to manage its estimated foreign currency exposure in respect of forecast revenue received from international customers, and in respect of forecast raw material and product purchases.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk.

The following table summarises the Group's exposure at the reporting date to foreign currency risk on the net monetary assets/(liabilities) of each Group entity against its respective functional currency, expressed in NZ dollars.

FOR THE YEAR ENDED 31 MARCH 2016

31 March 2016

	NZD \$'000	USD \$'000	AUD \$'000	GBP \$'000	EUR \$'000	JPY \$'000
Trilogy International Limited	-	-	8,578	-	-	-
Ecoya NZ Limited	-	486	6	32	21	-
Ecoya Pty Limited	1,213	707	-	-	-	-
Trilogy Natural Products Limited	-	880	1,942	201	510	123
CS Company Limited	-	(291)	(1,631)	-	-	-
Trilogy International Limited Group	1,213	1,782	8,895	233	531	123

31 March 2015

	NZD \$'000	USD \$'000	AUD \$'000	GBP \$'000	EUR \$'000	JPY \$'000
Trilogy International Limited	-	-	7,869	-	-	-
Ecoya NZ Limited	-	247	(2)	26	31	-
Ecoya Pty Limited	1,365	1	-	-	-	-
Trilogy Natural Products Limited	-	558	1,351	339	263	112
Trilogy International Limited Group	1,365	806	9,218	365	294	112

The following significant exchange rates applied during the year:

	Average Rate 2016	Average Rate 2015	Closing Rate 2016	Closing Rate 2015
NZD/AUD	0.920	0.925	0.902	0.983
NZD/USD	0.677	0.802	0.691	0.752
NZD/GBP	0.451	0.499	0.480	0.508
NZD/EUR	0.614	0.638	0.611	0.695
NZD/JPY	81.261	88.202	77.751	90.238

Sensitivity analysis – underlying exposures

A 10% weakening of the NZ dollar against the Australian dollar at 31 March 2016 would have increased/(decreased) equity and the net result for the period by the amounts shown below. Based on historical movements a 10% increase or decrease in the NZ dollar is considered to be a reasonable estimate. This analysis assumes that all other variables remain constant.

Australian dollar

The Group's net result and equity for the period would have been \$162,000 higher and \$854,000 higher respectively (2015: \$332,000 higher and \$875,000 higher respectively).

A 10% strengthening of the NZ dollar against the Australian dollar at 31 March 2016 and 31

March 2015 would have an approximately equal and opposite effect on the above currencies to the amounts set out above on the basis that all other variables remain constant.

The Group's exposure to other foreign exchange movements, excluding forward foreign exchange contracts, is not material.

Sensitivity analysis – forward foreign exchange contracts

The Group is exposed to currency risk on derivative financial instruments denominated in foreign currencies.

A 10% weakening of the NZ dollar at 31 March 2016 in relation to these forward foreign exchange contracts would have increased the

FOR THE YEAR ENDED 31 MARCH 2016

Group's equity and the net result for the period by \$1,901,000 (2015: decrease \$62,000).

A 10% strengthening of the NZ dollar at 31 March 2016 and 31 March 2015 would have an equal and opposite effect on the basis that all other variables remain constant.

(ii) Interest rate risk

The Group's fair value interest rate risk at 31 March 2016 arises from bank borrowings where the interest rate is set using the customised average rate loan facility rate (CARL rate). The Group's cash flow interest rate risk arises from bank borrowings at floating rates (floating portion of CARL). A detailed summary of the Group's interest rate risk is given in note 18.

Sensitivity analysis

If interest rates on borrowings had been 100 basis points higher during the year, the Group's net result and equity for the period would have been \$262,000 lower (2015: \$47,000 lower). Based on historical movements, a 100 basis points movement is considered to be a reasonable estimate.

A 100 basis points decrease in interest rates would have an approximately equal and opposite effect.

(iii) Price risk

The Group does not enter into commodity contracts other than to meet the Group's expected usage and sale requirements; such contracts are not settled net.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from the Group's receivables due from customers. Only major banks are accepted for cash and deposit balances.

The Group has a large number of customers with only three individual customers each accounting for more than 10% of the Group's revenue.

Credit risk is concentrated predominantly within Australia and New Zealand and the market for consumer products. The Group has established credit policies under which each new customer is analysed for creditworthiness before payment and delivery terms and conditions are agreed.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss

component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in note 11.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments in respect of financial liabilities. The maturity analysis of the interest-bearing liabilities at 31 March 2016 assumes that no principal other than the agreed amortisation amounts will be repaid until the expiration date of 19 August 2020.

FOR THE YEAR ENDED 31 MARCH 2016

At 31 March 2016

	Notes	Less than 3 months \$'000	3 – 12 months \$'000	Between 1 & 2 years \$'000	Between 2 & 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amounts liabilities \$'000
Non-derivative financial liabilities								
Trade and other payables	17	12,089	-	-	-	-	12,089	12,089
Interest bearing liabilities	18	1,440	4,170	6,310	28,713	-	40,633	35,153
Deferred and contingent consideration	20	-	1,500	1,500	7,050	-	10,050	9,538
Total		13,529	5,670	7,810	35,763	-	62,772	56,780

At 31 March 2015

	Notes	Less than 3 months \$'000	3 – 12 months \$'000	Between 1 & 2 years \$'000	Between 2 & 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amounts liabilities \$'000
Non-derivative financial liabilities								
Trade and other payables	17	4,872	-	-	-	-	4,872	4,872
Interest bearing liabilities	18	26	78	104	1,713	-	1,921	1,600
Total		4,898	78	104	1,713	-	6,793	6,472

The table below analyses the Group's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts

disclosed in the table are the contractual undiscounted cash flows. They are expected to occur and affect profit or loss at various dates between statement of financial position date and the following 12 months.

31 March 2016

	Less than 3 months \$'000	3-12 months \$'000
Forward foreign exchange contracts		
Inflow	3,870	13,249
Outflow	(3,857)	(13,204)

31 March 2015

	Less than 3 months \$'000	3-12 months \$'000
Forward foreign exchange contracts		
Inflow	1,152	1,728
Outflow	(1,077)	(1,612)

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(d) Financial instruments by category

Assets as per balance sheet

		At 31 March 2016	At 31 March 2016	At 31 March 2015	At 31 March 2015
	Notes	Loans and receivables \$'000	Measured at fair value through the profit and loss \$'000	Loans and receivables \$'000	Measured at fair value through the profit and loss \$'000
Trade and other receivables (net)	11	12,741	-	5,129	-
Derivative financial instruments	19	-	68	-	191
Cash and cash equivalents	10	4,352	-	2,674	-
		17,093	68	7,803	191

Prepayments and GST receivable do not meet the definition of a financial asset and have been excluded from the tables above.

Liabilities as per balance sheet

		At 31 March 2016	At 31 March 2016	At 31 March 2015	At 31 March 2015
	Notes	Measured at amortised cost \$'000	Measured at fair value through the profit and loss \$'000	Measured at amortised cost \$'000	Measured at fair value through the profit and loss \$'000
Trade payables and accrued expenses	17	11,010	-	4,134	-
Derivative financial instruments	19	-	10	-	-
Interest bearing liabilities	18	35,153	-	1,600	-
Deferred and contingent consideration	20	2,851	6,687	-	-
		49,014	6,697	5,734	-

Employee entitlements and deferred lease incentive do not meet the definition of a financial liability and have been excluded from the table above.

(e) Fair value estimation

The following table represents the Group's assets and liabilities that are measured at fair value:

		Level 2	Level 2
	Notes	2016 \$'000	2015 \$'000
Derivative financial instruments - assets	19	68	191
Derivative financial instruments - liabilities	19	(10)	-
		58	191

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The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in level 1. The Group did not have any level 1 financial instruments at 31 March 2016 (2015: nil).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group's forward foreign exchange contracts are level 2 financial instruments at 31 March 2016 and 31 March 2015.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. At 31 March 2016, the contingent consideration is classified as level 3 (2015: nil).

Specific valuation techniques used to fair value instruments include:

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

(f) Capital adequacy

The Board's aim is to maintain a strong capital base to sustain future development of the business and to maintain investor and creditor confidence. The combination of shareholder funds raised to date and the funding provided from the Bank of New Zealand gives the Group sufficient capital base to continue to grow the business.

The Group has been subject to externally imposed capital requirements since 10 September 2010 in relation to the facility with Bank of New Zealand as described in Note 18. The Group has complied with all tested requirements for the entire period reported.

4. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the judgements applied are discussed below.

(i) Estimated impairment of goodwill and brands

The Group tests annually whether goodwill and brands have suffered any impairment, in accordance with the accounting policy stated in note 2p(i) and 2p(iv). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions. Refer to note 16 for details of these assumptions.

(ii) Income taxes

Judgement is exercised in determining the timing and extent of recognition of the benefit of tax losses. The benefit of tax losses can be recognised as an asset if its recovery is 'probable' (more likely than not). In the absence of any track record of profitability, convincing evidence is needed of how the losses will be recovered in the future, before any deferred tax asset is recognised.

Last year the Group recognised Australian tax losses that were previously unrecognised as utilisation is now considered probable.

(iii) Business combinations – fair values

Judgement is exercised in determining the fair value of assets and liabilities acquired and liabilities arising from contingent consideration arrangements in business combinations. The fair value of the contingent consideration is required to be reassessed at subsequent reporting dates until it is settled.

FOR THE YEAR ENDED 31 MARCH 2016

5. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and the Board. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer, Chief Financial Officer and the Board of Directors. The Group's operating segments are 'Home Fragrance, Bodycare', (the Ecoya brand), 'Natural Products' (the Trilogy and Goodness brands) and 'Distribution' (CS Company).

Management also consider the business from a geographical perspective within these segments and have provided geographical information below.

The chief operating decision maker assesses the performance of the operating segments based on a measure of EBITDA. This measurement basis excludes fair value gains and losses on derivative financial instruments and the effects of non-recurring expenditure from operating segments. Interest income and costs are not allocated to segments as this type of activity is driven by the Group's head office function which manages the cash position of the Group. Head office costs are allocated to segments in line with their sales.

The segment information provided to the chief operating decision maker for the reportable segments, as supplemented with information by geography, is as follows:

Year Ended 31 March 2016

	Australia \$'000	New Zealand \$'000	US \$'000	UK & Ireland \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Home Fragrance, Bodycare							
Segment revenue	12,678	5,034	112	601	1,074	616	20,115
Revenue from external customers	12,678	5,034	112	601	1,074	616	20,115
EBITDA	1,172	1,089	(19)	78	139	47	2,506
Depreciation and amortisation	(118)	(42)	-	-	-	(23)	(183)
Income tax (expense)/credit	(676)	-	(3)	-	-	-	(679)
Capital expenditure	204	63	-	-	-	10	277

Year Ended 31 March 2016

	Australia \$'000	New Zealand \$'000	US \$'000	UK & Ireland \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Natural Products							
Segment revenue	10,530	13,307	2,451	3,140	4,039	983	34,450
Revenue from external customers	10,530	13,307	2,451	3,140	4,039	983	34,450
EBITDA	2,714	6,385	311	523	1,495	106	11,534
Depreciation and amortisation	-	(70)	-	-	-	(34)	(104)
Income tax (expense)/credit	-	(1,877)	-	(4)	-	-	(1,881)
Capital expenditure	-	319	-	-	-	255	574

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Year Ended 31 March 2016

	Australia \$'000	New Zealand \$'000	US \$'000	UK & Ireland \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Distribution							
Segment revenue	-	28,563	-	-	-	-	28,563
Revenue from external customers	-	28,563	-	-	-	-	28,563
EBITDA	-	4,763	-	-	-	-	4,763
Depreciation and amortisation	-	(152)	-	-	-	-	(152)
Income tax (expense)/credit	-	(1,139)	-	-	-	-	(1,139)
Capital expenditure	-	386	-	-	-	-	386
Total revenue by geography	23,208	46,904	2,563	3,741	5,113	1,599	83,128

Year Ended 31 March 2015

	Australia \$'000	New Zealand \$'000	US \$'000	UK & Ireland \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Home Fragrance, Bodycare							
Segment revenue	10,752	3,799	35	224	825	621	16,256
Revenue from external customers	10,752	3,799	35	224	825	621	16,256
EBITDA	949	604	(47)	2	7	(256)	1,259
Depreciation and amortisation	(136)	(36)	-	-	-	(72)	(244)
Income tax (expense)/credit	566	(1)	(5)	-	-	-	560
Capital expenditure	72	42	-	-	-	70	184

Year Ended 31 March 2015

	Australia \$'000	New Zealand \$'000	US \$'000	UK & Ireland \$'000	Rest of World \$'000	Other \$'000	Total \$'000
Natural Products							
Segment revenue	7,209	6,519	741	2,211	2,788	876	20,344
Revenue from external customers	7,209	6,519	741	2,211	2,788	876	20,344
EBITDA	1,824	2,508	(128)	250	838	57	5,349
Depreciation and amortisation	-	(71)	-	-	-	(51)	(122)
Income tax (expense)/credit	(13)	(629)	-	(4)	-	-	(646)
Capital expenditure	-	61	-	-	-	58	119
Total revenue by geography	17,961	10,318	776	2,435	3,613	1,497	36,600

The “Other” category displayed above refers to retail and online revenue and expenses that relate to transactions within the retail markets.

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A reconciliation of EBITDA to the Group's profit before tax for the period is provided as follows:

	Year ended 31 March 2016 \$'000	Year ended 31 March 2015 \$'000
EBITDA for reportable segments	18,803	6,608
Listed company costs	(2,193)	(1,292)
Acquisition costs	(262)	-
Group EBITDA	16,348	5,316
Gains on derivative financial instruments	(577)	40
Depreciation and amortisation	(439)	(366)
Net finance cost	(1,822)	(381)
Contingent consideration remeasurement	(402)	-
Profit before tax	13,108	4,609

Revenues from external customers are derived from sale of goods in the home fragrance, bodycare, natural products and distribution categories.

Revenues of approximately \$12,346,000, \$10,792,000 and \$9,697,000 are derived from three single external customers (2015: \$6,788,000 and \$4,934,000 from two single external customers). These revenues are attributable to all the categories in Australia and New Zealand.

The total of non-current assets other than deferred tax assets located in New Zealand is \$51,363,000

(2015: \$16,897,000), including the intangibles arising on the Trilogy acquisition in September 2010 and the CS Company acquisition in August 2015, and the total of non-current assets located in other countries is \$1,751,000 (2015: \$1,622,000), of which \$1,751,000 (2015: \$1,620,000) is in Australia.

Segment assets and liabilities are not included within the reporting to the chief operating decision maker and hence have not been included within the segment information tables above.

6. Other Gains/(Losses) - Net

	2016 \$'000	2015 \$'000
Foreign exchange gains/(losses) - net	628	250
(Loss)/gains on derivative financial instruments	(577)	40
	51	290

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7. Expenses

	2016 \$'000	2015 \$'000
Profit/loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	139	118
Furniture and office equipment	121	82
Motor vehicle	1	-
Display equipment	100	71
Total depreciation	361	271
<i>Amortisation</i>		
Trademarks	21	17
Software and website development	57	78
Total amortisation	78	95
Total depreciation and amortisation	439	366
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	554	663
Total rental expense relating to operating leases	554	663
<i>Sundry expenses</i>		
Donations	46	30
Loss on disposal of property, plant & equipment	130	290
Total sundry expenses	176	320
<i>Employee benefit expense</i>		
Salaries and wages	9,836	5,996
Pension costs – defined contribution superannuation scheme	378	143
Total employee benefit expenses	10,214	6,139

The employee benefit expense disclosed above does not include the consultancy fees payable to key management (refer note 26).

Auditors' Fees

During the year the following fees were paid or payable for services provided by the auditor:

	2016 \$'000	2015 \$'000
(a) Assurance services		
Audit of financial statements	166	114
Agreed upon procedures on interim report	4	4
	170	118
(b) Other services		
Tax advisory services	-	9
Due diligence of CS Company acquisition	61	-
	61	9
Total fees	231	127

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8. Finance Income and Expenses

	2016 \$'000	2015 \$'000
Finance income		
Interest received on bank balances	18	10
Total finance income	18	10
Finance costs		
Foreign exchange (losses)/gains on related party loan	(8)	1
Borrowings	(1,832)	(392)
Total finance costs	(1,840)	(391)
Net finance (cost)/income	(1,822)	(381)

9. Income Tax Expense

	2016 \$'000	2015 \$'000
(a) Income tax expense		
Current tax	(3,147)	(797)
Deferred tax (note 15)	(552)	711
Income tax expense	(3,699)	(86)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	13,108	4,609
Tax expense calculated at applicable domestic tax rates	(3,698)	(1,291)
Foreign tax expense	-	(1)
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Non-deductible expenses	(205)	(10)
Utilisation of tax losses not previously recognised	211	673
Recognition of deferred tax asset – unused losses	-	513
Recognition of deferred tax asset – deductible temporary difference	-	43
Foreign currency translation on foreign deferred tax recognised	-	10
Adjustments in respect of prior years	(7)	(23)
Income tax expense	(3,699)	(86)
<i>The applicable tax rate was 28% (2015: 28%)</i>		
(c) Imputation credits available directly and indirectly to shareholders of the parent company, through:		
Parent company	-	-
Subsidiaries	2,580	861
	2,580	861

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10. Cash and Cash Equivalents

	2016 \$'000	2015 \$'000
Cash at bank and in hand	4,352	2,674
	4,352	2,674

As at 31 March 2016 cash at bank includes a bank guarantee of \$67,000 (AUD \$60,000) required under the terms of the Taren Point premises' lease agreements

(2015: \$85,000, AUD \$83,000 - includes Woollahra premises). The deposit with the bank will be held for the period of the lease agreement, see note 25.

11. Trade and Other Receivables

	2016 \$'000	2015 \$'000
Trade receivables	12,786	5,180
Provision for doubtful receivables	(45)	(51)
	12,741	5,129
Prepayments	1,334	395
GST receivable	368	337
	14,443	5,861

As at 31 March 2016, trade receivables of the Group of \$10,827,000 (2015: \$4,402,000) were fully performing.

(a) Impaired receivables

As at 31 March 2016 current trade receivables with a nominal value of \$45,000 (2015: \$51,000) were impaired and provided for. The amount of

the provision was \$45,000 (2015: \$51,000) the individually impaired receivables mainly relate to customers who are in financial difficulty or dispute.

The ageing of these receivables is as follows:

	2016 \$'000	2015 \$'000
31 - 60 days overdue	-	-
90+ days overdue	45	51
	45	51

(b) Past due but not impaired receivables

As at 31 March 2016, trade receivables of \$1,914,000 (2015: \$727,000) were past due but not impaired.

These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016 \$'000	2015 \$'000
1 - 30 days overdue	1,144	471
31 - 60 days overdue	254	93
61+ days overdue	516	163
	1,914	727

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(c) Provision for impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	2016 \$'000	2015 \$'000
Opening balance	51	82
Exchange differences	2	(2)
Provision for impairment recognised during the year	1	23
Receivables written off during the year as uncollectable	(9)	(52)
As at 31 March	45	51

The creation and release of the provision for impaired receivables has been included in 'sales and marketing expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other balances within total trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(d) Foreign exchange and interest rate risk

Refer to note 3(a)(i) for an analysis of Group's exposure to foreign currency risk in relation to trade and other receivables.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

The Group does not hold any collateral as security. Refer to note 3 for more information on the risk management policy of the Group.

12. Inventories

	2016 \$'000	2015 \$'000
Raw materials	4,586	3,145
Finished goods	16,438	2,916
	21,024	6,061

Inventory expense

There was a write-down of inventories due to obsolete stock during the year with \$164,000 charged to

'cost of sales' (2015: \$388,000) in the statement of comprehensive income.

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13. Shares in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of

the following subsidiaries in accordance with the accounting policy described in note 2 (b):

Name of entity	Business	Country of Incorporation	Class of shares	Equity holding 2016 %	Equity Holding 2015 %
Ecoya NZ Limited	Trading	NZ	Ordinary	100	100
Ecoya Pty Limited	Trading	Australia	Ordinary	100	100
Ecoya USA Incorporated	Non-Trading	USA	Ordinary	100	100
Goodness Skincare Limited	Non-Trading	NZ	Ordinary	100	100
Kanara Holdings Limited	Investment	NZ	Ordinary	100	100
Trilogy Natural Products (Aust) Pty Limited	Non-trading	Australia	Ordinary	100	100
Trilogy Natural Products (UK) Limited	Trading	UK	Ordinary	100	100
Trilogy Natural Products Limited	Trading	NZ	Ordinary	100	100
Kakara Limited	Investment	NZ	Ordinary	100	N/A
CS Company Limited	Trading	NZ	Ordinary	100	N/A

14. Plant and Equipment

	Plant and equipment \$'000	Furniture and office equipment \$'000	Display equipment \$'000	Total \$'000
Year ended 31 March 2015				
Opening net book amount	838	348	209	1,395
Exchange differences	(38)	(9)	(4)	(51)
Additions	73	37	33	143
Disposals	(9)	(126)	(91)	(226)
Depreciation charge	(118)	(82)	(71)	(271)
Closing net book amount	746	168	76	990
At 31 March 2015				
Cost	1,385	428	233	2,046
Accumulated depreciation	(639)	(260)	(157)	(1,056)
Net book amount	746	168	76	990

FOR THE YEAR ENDED 31 MARCH 2016

	Assets Under construction \$'000	Plant and equipment \$'000	Furniture and office equipment \$'000	Display equipment \$'000	Motor vehicle \$'000	Total \$'000
<i>Year ended 31 March 2016</i>						
Opening net book amount	-	746	168	76	-	990
Exchange differences	-	65	(7)	1	-	59
Additions	295	157	406	380	-	1,238
Additions through acquisitions	-	135	190	620	4	949
Disposals	-	(99)	(44)	-	-	(143)
Depreciation charge	-	(139)	(121)	(100)	(1)	(361)
Closing net book amount	295	865	592	977	3	2,732
<i>At 31 March 2016</i>						
Cost	295	1,479	920	1,119	4	3,817
Accumulated depreciation	-	(614)	(328)	(142)	(1)	(1,085)
Net book amount	295	865	592	977	3	2,732

15. Deferred Tax

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

During the year the Group used \$211,000 of deferred income tax assets in respect of losses in

the Australian subsidiary amounting to \$702,000 that had not previously been recognised. There are no remaining unrecognised deferred tax assets from prior year tax losses.

The Group has recognised deferred tax assets and liabilities as set out in the tables below:

	Provisions	Tax Losses	Total
<i>Deferred tax assets</i>			
At 31 March 2014	167	-	167
Credited/(charged) to the income statement	198	513	711
At 31 March 2015	365	513	878
<i>Deferred tax assets</i>			
At 31 March 2015	365	513	878
Credited/(charged) to the income statement	(39)	(513)	(552)
Acquisition of subsidiary	73	-	73
At 31 March 2016	399	-	399

As at 31 March 2016 the deferred tax assets and liabilities are considered recoverable within the next 12 months.

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16. Intangible Assets

	Goodwill \$'000	Brand \$'000	Trademarks \$'000	Software and website development \$'000	Total \$'000
<i>Year ended 31 March 2015</i>					
Opening net book amount	14,505	2,830	111	123	17,569
Exchange differences	(40)	-	-	(1)	(41)
Disposals	-	-	-	(64)	(64)
Additions	-	-	30	130	160
Amortisation charge	-	-	(17)	(78)	(95)
Closing net book amount	14,465	2,830	124	110	17,529
<i>At 31 March 2015</i>					
Cost	14,465	2,830	172	229	17,696
Accumulated amortisation	-	-	(48)	(119)	(167)
Net book amount	14,465	2,830	124	110	17,529
	Goodwill \$'000	Brand \$'000	Trademarks \$'000	Software and website development \$'000	Total \$'000
<i>Year ended 31 March 2016</i>					
Opening net book amount	14,465	2,830	124	110	17,529
Exchange differences	73	-	-	-	73
Disposals	-	-	-	(1)	(1)
Additions	-	-	29	265	294
Additions through acquisitions	32,565	-	-	-	32,565
Amortisation charge	-	-	(21)	(57)	(78)
Closing net book amount	47,103	2,830	132	317	50,382
<i>At 31 March 2016</i>					
Cost	47,103	2,830	201	493	50,627
Accumulated amortisation	-	-	(69)	(176)	(245)
Net book amount	47,103	2,830	132	317	50,382

There are no internally generated assets included within intangibles.

Impairment tests for indefinite life intangible assets

Indefinite life intangible assets (goodwill and brand) are allocated to the Group's cash generating units by operating segment as set out below:

	2016 \$'000	2015 \$'000
Home fragrance and bodycare	882	809
Natural products	16,486	16,486
Distribution	32,565	-
	49,933	17,295

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Home fragrance and bodycare

Goodwill arose on the acquisition of a controlling interest in Ecoya Pty Limited in March 2008 and is allocated to the Group's cash-generating unit (CGU) of Ecoya Pty Limited's trading in the Australian domestic market in the Home Fragrance and Bodycare Category.

Natural products

Goodwill and brand value arose on the acquisition of 100% of Trilogy Natural Products Limited in September 2010 and is allocated to the CGU natural products.

Distribution

Goodwill arose on the acquisition of 100% of CS Company Limited in August 2015 and is allocated to the Group's cash-generating unit (CGU) distribution.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on forecast performance for the year ending 31 March 2016 and financial budgets and models approved by management covering a further 4 year period.

The key assumptions for the value-in-use calculation are those regarding growth rates, discount rate and gross margins.

In preparing the forecasts, management have assumed revenue growth as follows:

Home fragrance and bodycare

Starting at 15% in the first year and reducing over time, down to 5% in the fifth year. The growth rates through the 5 year model reflect the investment the business has made, and will make, in sales and marketing, product packaging and branding.

Natural products

Starting at 15% in the first year and reducing over time, down to 5% in the fifth year. The growth rates through the 5 year model reflect the investment the business will make in sales and marketing and growth in new markets.

Distribution

Starting at 6% in the first year and reducing over time, down to 2.5% in the fifth year. The growth rates through the 5 year model reflect the investment the business will make in sales and marketing.

For all CGUs, cash flows beyond the 5 year period are extrapolated using a 2.5% long term revenue growth rate which is based on a combination of historic and forecast compound annual growth rates for the home fragrance, bodycare and skincare categories.

Management estimates discount rates using rates that reflect current market assessments of the time value of money and the risks specific to the business. A pre-tax discount rate of 17% has been adopted (2015: 18%).

17. Trade and Other Payables

	2016 \$'000	2015 \$'000
Trade payables	7,114	2,515
Amount due to related parties (see note 26)	174	315
Accrued expenses	3,722	1,304
Deferred lease incentive	27	-
Employee entitlement	1,052	738
	12,089	4,872

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Foreign currency risk

	2016 \$'000	2015 \$'000
Australian dollars	2,739	780
United States dollars	468	49
New Zealand dollars	3,943	1,980
Euros	8	-
Great British pounds	130	21
	7,288	2,830

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 3(a)(i).

18. Interest Bearing Liabilities

	2016 \$'000	2015 \$'000
Interest bearing liability – overdraft	803	-
Interest bearing liability – term loan	4,000	-
Total current interest bearing liabilities	4,803	-
Interest bearing liability – term loan	30,350	1,600
Total non-current interest bearing liabilities	30,350	1,600
Total interest bearing liabilities	35,153	1,600

On 17 August 2015, the Group entered into a multi-option facility with the Bank of New Zealand. This facility was put into place to fund the CS Company acquisition and originally had an overall limit of \$58,000,000 which reduced to \$55,000,000 on 31 December 2015. As at 31 March 2016, the facility comprised a customised average rate loan facility ('CARL') of \$25,500,000, a revolving cash advance facility ('CCAF') of \$18,000,000, a standby letter of credit \$10,000,000, and an overdraft limit of \$1,500,000.

The CARL facility expires on 19 August 2020. Scheduled repayments totalling \$19,000,000 are due prior to the facility expiry date. At 31 March 2016 \$25,500,000 (2015: \$1,600,000) was drawn against this facility at an interest rate of 5.14% (2015: 6.51%).

The CCAF facility is interest only and expires on 19 August 2020. At 31 March 2016, \$8,850,000 (2015: \$nil) was drawn against this facility under a rolling multi option facility at an interest rate of 4.63%.

The standby letter of credit facility has not been used to date, and expires on 30th November 2018.

At 31 March 2016 the overdraft facility balance was \$803,000 (2015: \$nil) with interest payable on overdrawn balances of 5.93% (2015: 8.17%).

The facility is secured by a first registered and unrestricted general security agreement over the assets and undertakings of Trilogy International Limited, and its subsidiaries.

CS Company has an overdraft facility with the ANZ Banking Group of \$600,000 and has an expiry date of 30 June 2016. At 31 March 2016, the overdraft facility balance was \$nil with interest payable on overdrawn balances of 10.8%. The facility is secured by a letter of credit in favour of the ANZ Banking Group of \$750,000.

The financial covenants entered into require the TIL Group to meet specified liquidity ratios, and EBITDA metrics, on a quarterly basis, as specified in the bank facility agreement date 17 August 2015.

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(a) Fair value

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant.

(b) Risk exposures

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:

	2016 \$'000	2015 \$'000
<i>Interest bearing liabilities</i>		
3 months or less	35,153	1,600
3 - 12 months	-	-
1 - 2 years	-	-
2 - 5 years	-	-
	35,153	1,600

The carrying amounts of the Group's borrowings expressed in NZ dollars are denominated in the following currencies:

	2016 \$'000	2015 \$'000
NZ dollars	35,153	1,600
	35,153	1,600

19. Derivative Financial Instruments

	2016 Assets \$'000	2016 Liabilities \$'000	2015 Assets \$'000	2015 Liabilities \$'000
Forward foreign exchange contracts				
Held for trading	68	10	191	-
	68	10	191	-

Trading derivatives are classified as a current asset or liability.

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2016 were \$17,061,000 (2015: \$2,802,000).

The maximum exposure to credit risk at the reporting date is the value of the derivative assets' receivable portion for the Group of \$17,118,000 (2015: \$2,880,000).

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20. Deferred and Contingent Consideration

	2016 \$'000	2015 \$'000
Opening balance	-	-
CS Company deferred consideration (note 21)	3,000	-
CS Company contingent consideration (note 21)	7,050	-
Fair value discount	(914)	-
Contingent consideration remeasurement	402	-
Balance 31 March	9,538	-

	2016 \$'000	2015 \$'000
Current liabilities	1,500	-
Non-current liabilities	8,038	-
	9,538	-

The liability to the previous owners of CS Company relates to the deferred payment and earn out component under the acquisition described in note 21.

21. Business Combinations

Current period

On 17 August 2015 the Group acquired 100% of the issued share capital of CS Company Limited ("CS Company"). At acquisition date, the provisionally determined fair value of the net assets and liabilities in CS Company amounted to \$10,396,000 with provisional goodwill arising from the acquisition of \$32,565,000. None of the goodwill is expected to be deductible for tax purposes.

At the date of acquisition, the acquired entity is involved in the importation and distribution of products in the personal fragrance and beauty categories. The CS Company business fits well with the existing Trilogy

International business. Over time synergies will be realised through distribution, sales and marketing.

The goodwill is attributable to CS Company's strong position, well-established distribution network and workforce and profitable trading in the personal fragrance and beauty categories in New Zealand. Synergies are expected to arise predominantly after the earn out period is complete.

(a) Purchase consideration

Details of the fair value of the assets and liabilities acquired and goodwill arising are as follows:

	2016 \$'000
<i>Purchase consideration</i>	
Cash paid	34,000
Deferred and contingent consideration	9,136
Working capital adjustment	(175)
Total purchase consideration	42,961
Fair value of net identifiable assets acquired (refer over page)	(10,396)
Provisional goodwill	32,565

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(b) Assets and liabilities acquired

The identifiable assets and liabilities recognised as a result of the acquisition, provisionally determined, are as follows:

	Fair Value \$000
Cash	54
Trade and other receivables	4,962
Inventories	9,429
Plant and equipment	949
Derivative financial instruments	446
Deferred tax asset	73
Trade and other payables	(4,958)
Tax payable	(559)
Net assets	10,396

(c) Acquisition-related costs

The acquisition costs incurred by the Group were \$262,000 in completing the transaction. These costs have been expensed to the Statement of Comprehensive Income.

was based on both historical earnings and forecast earnings of CS Company, being an income approach to a level 3 fair value measurement. The fair value of \$6.7m was based on a discount rate of 6.5% and assumed EBITDA of CS Company, being the key unobservable input, in the range of \$7.35m - \$8.75m for the year ending 31 March 2017. Assuming all other variables are held constant and the EBITDA threshold is met, an increase or decrease in EBITDA by \$100,000 would increase or decrease the undiscounted amount of the earn-out by \$300,000.

(d) Deferred and contingent consideration

The purchase consideration includes elements of deferred consideration and contingent consideration, in addition to the initial cash payment of \$34m at the time of the acquisition.

Deferred consideration

The Group will pay the former owners of CS Company two further amounts of \$1.5m (before discounting) on each of the first two anniversaries of the acquisition. A discount rate of 6.5% has been applied to give a fair value of \$2.8m.

Contingent consideration

The contingent consideration arrangement requires the Group to pay the former owners of CS Company in cash on the third anniversary of the acquisition, a multiple of CS Company's EBITDA in excess of a threshold for the years ending 31 March 2016 and 31 March 2017 of \$6.4m and \$7.0m respectively under an earn-out arrangement. The potential amount of undiscounted payments is not capped.

The undiscounted estimated fair value of the contingent consideration arrangement of \$7.05m

(e) Acquired receivables

The fair value of trade and other receivables is \$4,962,000 and includes trade receivables with gross contractual cash flows and a fair value of \$4,639,000, none of which is expected to be uncollectable.

(f) Revenue and profit contribution

The acquired business contributed revenues of \$28,563,000 and EBITDA of \$4,763,000 to the Group from 17 August 2015 to 31 March 2016. If the acquisition had occurred on 1 April 2015, consolidated revenue and consolidated earnings before interest and tax for the year ended 31 March 2016 would have been \$13,594,000 and \$1,843,000 higher respectively.

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22. Contributed Equity

	2016 Shares	2016 \$'000	2015 Shares	2015 \$'000
Share Capital				
Ordinary shares	61,874,508	31,892	61,673,762	31,727
Unlisted non-voting shares	720,653	721	720,653	721
Issued (no par value)	62,595,161	32,613	62,394,415	32,448
Treasury shares (note 24a)	(135,000)	-	(157,000)	-
Net Issued	62,460,161	32,613	62,237,415	32,448

The total authorised number of ordinary shares is 61,874,508 shares (2015: 61,673,762 shares)

and the total authorised number of unlisted non-voting shares is 720,653 (2015: 720,653).

	Number of Ordinary Shares	Number of Unlisted Non- Voting Shares	\$'000
At 31 March 2014	61,348,528	720,653	32,356
Shares in lieu of directors' fees	168,234	-	95
Shares issued to employee share scheme	157,000	-	-
Share issue costs	-	-	(3)
At 31 March 2015	61,673,762	720,653	32,448
Shares in lieu of directors' fees	100,746	-	92
Employee share options exercised	100,000	-	75
Share issue costs	-	-	(2)
At 31 March 2016	61,874,508	720,653	32,613

Directors' Remuneration

Under the terms of the Company's constitution directors can elect to take director fees in shares at average market prices for the period instead of cash. Richard Frank, Mandy Sigaloff and Jack Matthews have elected to take director fees in shares.

On 28 August 2014, 61,189 shares were issued to Mandy Sigaloff and 58,046 shares were issued to Richard Frank in satisfaction of director fees for the quarters ended 31 December 2013, 31 March 2014 and 30 June 2014 net of applicable withholding taxes.

On 24 October 2014, 20,833 shares were issued to Mandy Sigaloff, 10,870 shares were issued to Jack Matthews and 17,296 shares were issued to Richard Frank in satisfaction of director fees for the quarter ended 30 September 2014 net of applicable withholding taxes.

On 11 April 2015, 31,729 shares were issued to Mandy Sigaloff and 31,729 shares were issued to Jack Matthews in satisfaction of director fees for the quarters ended 31 December 2014 and 31 March 2015 net of applicable withholding taxes.

On 19 November 2015, 22,328 shares were issued to Mandy Sigaloff and 14,960 shares were issued to Jack Matthews in satisfaction of director fees for the quarters ended 30 June 2015 and 30 September 2015 net of applicable withholding taxes.

Employee Share Options Exercised

On 10 March 2016 100,000 employee share options were exercised at \$0.60 per share (refer to note 24 for details).

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23. Reserves

	2016 \$'000	2015 \$'000
Reserves		
Foreign currency translation reserve	(506)	(1,239)
Share based payment reserve	249	56
	(257)	(1,183)
(a) Foreign currency translation reserve		
Opening balance	(1,239)	(839)
Currency translation gains/(losses)	733	(400)
Balance 31 March	(506)	(1,239)

There was no tax impact of the movement in the foreign currency translation reserve.

The foreign currency translation reserve comprises foreign exchange differences arising from the

translation of the financial statements of foreign operations into New Zealand dollars and foreign exchange differences arising on the re-translation of qualifying net investment hedges (note 2(c)).

(b) Share based payment reserve

	2016 \$'000	2015 \$'000
Opening balance	56	19
Fair value of options granted (refer to note 24 for details)	208	37
Fair value of options exercised	(15)	-
Balance 31 March	249	56

24. Share Based Payments

The company operates equity-settled share-based compensation plans, under which directors and employees render services in exchange for non-transferable share options or shares. The value of these services rendered for the grant of non-transferable share options and shares is recognised over the vesting

period and the amount is determined by reference to the fair value of the options and shares granted.

The expense recognised in the Statement of Comprehensive Income arising from share based payment plans for employee and director services performed was as follows:

	2016 \$'000	2015 \$'000
Directors	-	20
Employees	208	17
Total share based payments	208	37

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(a) Employee share purchase plan

The Trilogy International Ltd Employee Share Purchase Plan ("ESPP") was established to assist employees to become equity holders in the company. The ESPP is open to all full time and part time employees at an offer date. Consideration payable for the shares is determined by the Board.

The company issued 157,000 shares on 31 March 2015 to a group company as trustee for the ESPP at a price of 85c, being the average market selling price over the 20 trading days ending 31 March 2015.

The shares allocated under the ESPP are held in trust for the employees during the restrictive period. The restrictive period of the plan is three years but can be less should certain events occur (as detailed specifically within the plan).

On 8 May 2015 138,100 shares were awarded to employees, of which 22,000 subsequently vested and a further 20,450 lapsed due to staff resignations. 95,650 allocated shares are unvested at 31 March 2016.

	2016 \$'000	2015 \$'000
Unallocated shares held by the ESPP		
Balance of unallocated shares from 31 March 2015 share allocation	39	157
Total unallocated shares held by the ESPP	39	157
Shares held on behalf of employees	96	-
Total ordinary shares held at 31 March by the ESPP	135	157

Shares held by the ESPP represent 0.25% of the total company's shares on issue.

(b) Share options scheme

Share options are granted to selected employees and directors. The exercise price of the granted options is determined by the Board with reference to the market price of shares at the time of the grant.

For employees, the options are conditional on the completion of the necessary years' service (the vesting period) as appropriate to that tranche. The option tranches vest in equal numbers annually over one to four years from the grant date. No options can be exercised later than the second anniversary of each vesting date.

For directors, the options vest immediately on the grant date and expire on the third anniversary of the original grant date.

Each ordinary share option will be converted to one ordinary share on exercise.

(i) Share options granted

On 31 March 2015 the Company approved the issue of 1,170,000 unlisted share options exercisable at

85 cents per option. On 8 May 2015 the Company allocated and issued all of those options to selected employees. Since then due to resignation or redundancy of employees, 300,000 of these options have lapsed.

On 7 August 2014 the Company allocated and issued 200,000 options, with an exercise price of \$0.80 per share to Jack Matthews (an independent director of Trilogy International Limited). These options vest immediately and expire on 30 July 2017. As at 31 March 2016, these options had not been exercised.

On 10 March 2015 the Company issued 400,000 options, with an exercise price of \$0.60 per share to Angela Buglass (then Managing Director of Trilogy Natural Products Limited). These options vest in equal tranches over 4 years on each anniversary of the issue date and each tranche expires two years after the vesting date. As at 31 March 2016, 100,000 of these options had been exercised.

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	2016 Weighted Average Exercise Price	2016 '000 Options	2015 Weighted Average Exercise Price	2015 '000 Options
<i>Movement in allocated outstanding share options</i>				
Outstanding at 1 April	0.70	800	0.80	200
Granted during the period	0.85	1,170	0.67	600
Lapsed during the period	0.85	(300)	-	-
Exercised during the period	0.60	(100)	-	-
Outstanding at 31 March	0.79	1,570	0.70	800
Exercisable at 31 March	0.80	400	0.80	400

Share options outstanding at the end of the year have the following dates and exercise prices:

Grant	Vest	Expiry Date	Exercise Price	2016 '000	2015 '000
2013/14	Immediately	2016-2017	0.80	200	200
2014/15	Immediately	2017-2018	0.80	200	200
2014/15	4 equal tranches on 10 March 2016-2019	4 equal tranches on 10 March 2018-2021	0.60	300	400
2015/16	4 equal tranches on 8 May 2016-2019	4 equal tranches on 8 May 2018-2021	0.85	870	-
				1,570	800

The weighted average fair value of the options granted during the period, determined using the Black-Scholes valuation model was \$0.272 (2015 \$0.152). The significant inputs into the model were the market price at grant date, the exercise price, a volatility of

between 38% and 42%, an option life of 3-4 years, no expected dividends and a risk free rate of 3%. The volatility was measured based on a statistical analysis of daily share prices over periods of up to 4 years.

25. Contingencies and Commitments

As at 31 March 2016 the Group had no contingent liabilities or assets (2015: nil).

The Group had capital commitments of \$828,000 in relation to property, plant and equipment at 31 March 2016 (2015: Nil).

(i) Operating leases

The Group leases various premises and machinery under non-cancellable operating lease agreements.

The lease terms are between one and ten years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The Group also leases machinery under cancellable operating lease agreements. The Group is required to give one month's notice for termination.

FOR THE YEAR ENDED 31 MARCH 2016

	2016 \$'000	2015 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,229	341
Later than one but not later than five years	2,850	328
Later than five years	1,819	-
	5,898	669

26. Related Party Transactions

(a) Directors

The Directors during the period were:

		Date of appointment
Stephen Sinclair	Executive Director	31 January 2008
Grant Baker	Executive Director	31 January 2008
Geoff Ross	Chairman	23 November 2009
Sarah Gibbs	Non-Executive Director	07 October 2011
Mandy Sigaloff	Independent Director	06 September 2013
Jack Mathews	Independent Director	15 August 2014

On 30 April 2015, Sarah Gibbs resigned from the role of non-executive director.

(b) Key management personnel compensation

Sarah Gibbs provided consulting services to the Group through an associated company, Bill & George's Investments Limited. Independent Director Fees for the period were payable to Mandy Sigaloff and Jack Matthews. Refer to note 22 for details of shares issued in lieu of fees. Under the management services agreement between Trilogy

International Limited and The Business Bakery dated 25 March 2010 Grant Baker, Stephen Sinclair and Geoff Ross provided directors and management services to the Company during the period. The Business Bakery held 49.2% of the Company's shares at 31 March 2016 (2015: 49.5%).

	2016 \$'000	2015 \$'000
<i>Short term benefits:</i>		
Consulting fees	-	138
Directors' fees (note 22)	256	268
Share based payments (note 24)	28	20
Management services	455	555
Salaries and wages	621	-
	1,360	981

FOR THE YEAR ENDED 31 MARCH 2016

(c) Other transactions

(i) with other related parties

During the year The Business Bakery provided rental and operational services to the Group totalling \$281,000 (2015: \$172,000). The Business Bakery also incurred consultancy expenses on behalf of the Group during the year of \$61,000 (2015: \$Nil).

Sarah Gibbs made no purchases on behalf of the Group during the year through her associated company, Bill & George's Investments Limited (2015: \$8,000).

Mandy Sigaloff made purchases on behalf of the Group during the year of \$1,000 through her associated company, ClubQT Australia Pty Limited (2015: \$2,000).

Jack Matthews made purchases on behalf of the Group during the year of \$1,000 (2015: \$1,000).

	2016 \$'000	2015 \$'000
Payables to related parties:		
The Business Bakery LP	(124)	(187)
Independent Directors	(50)	(50)
Non-Executive Directors	-	(78)
	(174)	(315)

27. Reconciliation of Profit after Income Tax to Net Cash Flow Inflow from Operating Activities

	2016 \$'000	2015 \$'000
Profit for the period	9,409	4,523
Depreciation and amortisation	439	366
Loss on disposal of assets	130	290
Unrealised (gains)/losses on derivative financial instruments	577	(40)
Foreign exchange (gains)/losses	239	(282)
Shares in lieu of director's fees	92	95
Movement in fair value of share based payments	208	37
Deferred tax	603	(711)
Contingent consideration remeasurement	402	-
Movements in working capital:		
(Increase)/decrease in inventories	(5,318)	(1,712)
(Increase)/decrease in trade and other receivables	(3,402)	(745)
(Increase)/decrease in tax provisions	161	319
Increase/(decrease) in trade and other payables	2,128	2,574
Net cash inflow from operating activities	5,668	4,714

FOR THE YEAR ENDED 31 MARCH 2016

28. Earnings per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the period.

	2016	2015
Profit after tax (\$'000)	9,409	4,523
Weighted average number of ordinary shares on issue	62,348,788	62,160,626
Basic earnings per share (dollars)	0.15	0.07
<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares at the beginning of the period	62,237,415	62,069,181
Issued ordinary shares at end of period	62,460,161	62,237,415
Weighted average number of ordinary shares	62,348,788	62,160,626

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. At 31 March 2016 the director's and employees share options are dilutive potential ordinary shares (2015: the directors and employee share options and

the unallocated employee share purchase plan shares). Diluted earnings per share at 31 March 2016 and 31 March 2015 were unchanged from basic earnings per share at \$0.15 (2015: \$0.07), given the terms of the instruments, including exercise price.

29. Dividends

A dividend of 3.6c per share, totalling \$2,323,000 (31 March 2015: \$nil) that relates to the period to 31 March 2015 was paid in June 2015.

30. Events Occurring after the Balance Date

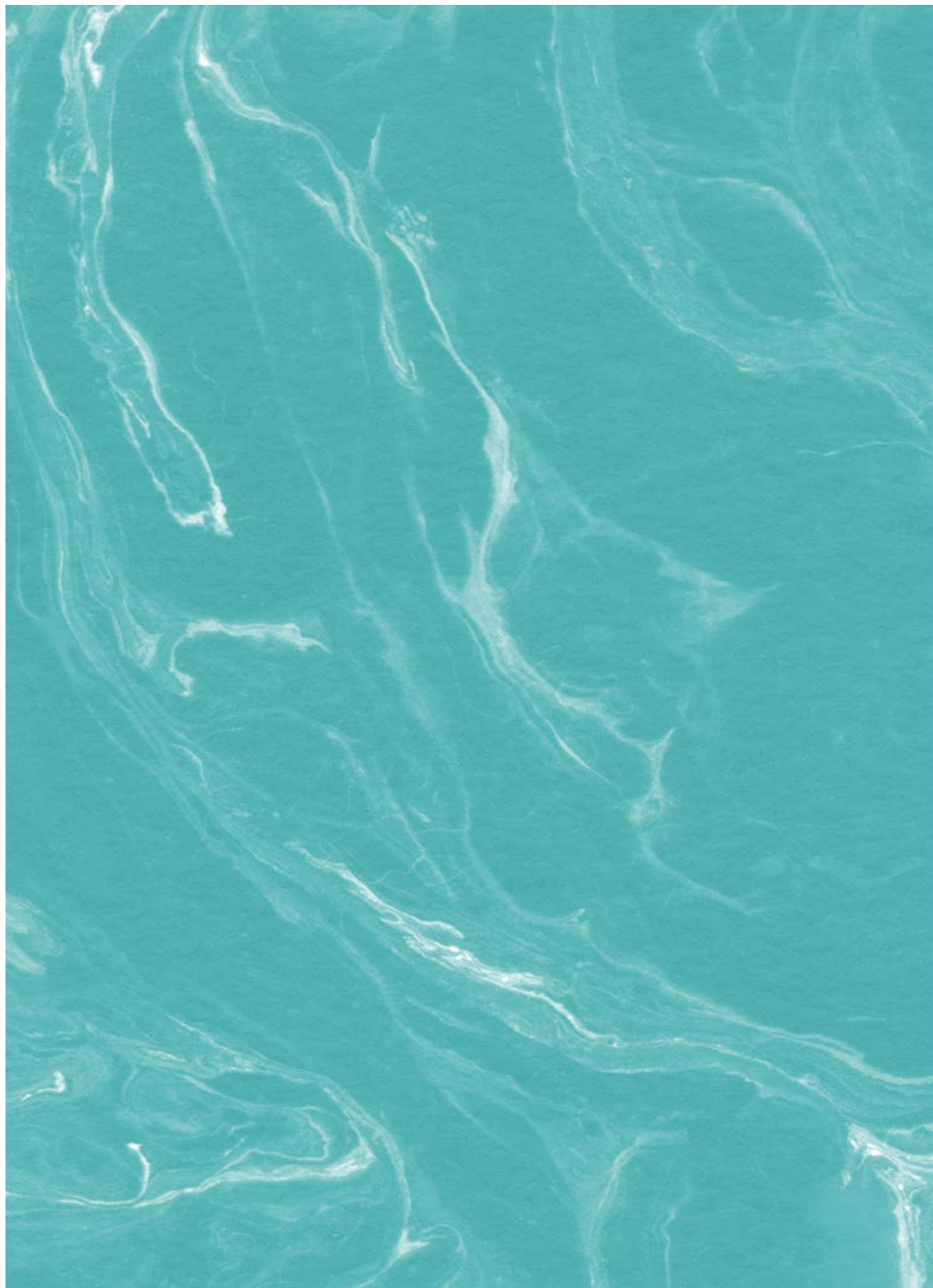
Acquisition of Equity Stake in Forestal Casino

On 26 May 2016 the Group entered into an agreement to acquire a 25% interest in Forestal Casino, effective 30 June 2016. Forestal Casino is a Chilean business which specialises in the production of high quality rosehip products for the rosehip tea industry and the pressing of rosehip seed into oil for the skincare market. The purchase price of USD 8 million is to be paid through the issue of shares in Trilogy (75%) and in cash (25%).

Dividend

On 26 May 2016, the Board of Directors announced that it will pay a fully imputed dividend of 5.45 cents per share which is expected to be paid in June 2016.







SECTION 07

Shareholder & Statutory Information



Shareholder & Statutory Information

Stock Exchange Listing

The Company's shares are listed on the main board of the equity security market operated by NZX Limited.

Twenty Largest Shareholders

The following table shows the names and holdings of the 20 largest registered holdings of quoted ordinary shares of the Company as at 3 June 2016.

Name	Ordinary Shares	%
The Business Bakery LP	30,088,091	48.63
Tea Custodians Limited Client Property Trust Account - NZCSD <TEAC40>	5,791,007	9.36
National Nominees New Zealand Limited - NZCSD <NNLZ90>	2,885,542	4.66
Sarah Jane Gibbs + Independent Trust Company (2006) Limited <Sarah Gibbs Family A/C>	2,553,461	4.13
HSBC Nominees (New Zealand) Limited - NZCSD <HKBN90>	2,180,273	3.52
Richard Frank	1,803,848	2.92
Catherine Anne De Groot + Independent Trust Company (2007 Limited <C A De Groot Family A/C>	1,125,653	1.82
Justin Matthew Bade	1,068,000	1.73
Citibank Nominees (New Zealand) Limited - NZCSD <CNOM90>	978,211	1.58
David Gerald Poole + Warren James Ladbrook + Gaylene Johanne Cadwallader <Poole Family A/C>	900,000	1.45
Darryl Frank <Darryl B Frank Living A/C>	445,388	0.72
Paul Frank	445,388	0.72
Accident Compensation Corporation - NZCSD <ACCI40>	445,000	0.72
Conroy Allan Wong	380,500	0.61
ASB Nominees Limited <937739 - ML A/C>	356,366	0.58
Peter James Gibbs	250,000	0.40
Caroline Robyn Ball + Christopher John Thomson Bush	244,061	0.39
FNZ Custodians Limited	242,708	0.39
David Mitchell Odlin	236,900	0.38
Matthew John Harrison	199,868	0.32
Total: Top 20 Holders Of Ordinary Shares	52,620,265	85.04%
Total Remaining Holders Balance	9,254,243	14.96%
Total	61,874,508	100.00%

Spread Of Security Holders as at 3 June 2016

Range	Sum of Units	Sum of % of Units	Sum of Holder Count	Holder Count %
1 to 999	68,294	0.11%	132	11.87%
1,000 to 1,999	260,960	0.42%	207	18.62%
2,000 to 4,999	919,661	1.49%	314	28.24%
5,000 to 9,999	1,218,799	1.97%	195	17.54%
10,000 to 49,999	3,853,124	6.23%	210	18.88%
50,000 to 99,999	1,598,089	2.58%	23	2.07%
100,000 to 499,999	4,581,495	7.40%	21	1.89%
500,000 to 999,999	1,878,211	3.04%	2	0.18%
1,000,000 to 9,999,999,999	47,495,875	76.76%	8	0.72%
Grand Total	61,874,508	100.00%	1,112	100.00%

Substantial Product Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013 (FMCA).

According to the Company's records and disclosures made under section 280(1)(b) of the FMCA, the

following were substantial product holders in TIL as at 31 March 2016.

The total number of voting securities on issue as at 31 March 2016 was 61,874,508 ordinary shares.

	Number of Ordinary Shares	%
The Business Bakery LP	30,088,091	48.63
Pie Funds Management Limited	5,729,577	9.26

In addition, The Business Bakery LP holds 720,653 non-voting shares in Trilogy International Ltd on this date. The non-voting shares have the same rights and terms and rank uniformly in all respects with

ordinary shares except that they shall initially bear no voting rights. These shares can by written notice, be reclassified as an ordinary voting share by the holder.

Statement Of Directors' Relevant Interests

Directors held the following relevant interests in equity securities in the company as at 31 March 2016:

	Ordinary Shares	Non-Voting Shares	Share Options
Geoff Ross (1)	30,110,591	720,653	-
Grant Baker (2)	30,088,091	720,653	-
Stephen Sinclair (3)	30,107,342	720,653	-
Mandy Sigaloff (4)	136,079	-	200,000
Jack Matthews	57,559	-	200,000

(1) Relevant interest in shares held by The Business Bakery LP as a result of a limited partnership interest and shares held by sons Finnley Ross and Gabriel Ross.

(2) Relevant interest in shares held by The Business Bakery LP as a result of a limited partnership interest.

(3) Relevant interest in shares held by The Business Bakery LP as a result of a limited partnership interest and shares held by sons George Sinclair, Harry Sinclair and Oliver Sinclair.

(4) Relevant interest in shares held by Club QT Australia Pty Limited (an entity associated with Mandy Sigaloff).

Directors' Remuneration and Other Benefits

Details of directors' remuneration and value of other benefits received for services to TIL for the year ended on 31 March 2016 are as shown in the table below:

	\$	Nature of Remuneration
Geoff Ross, Grant Baker and Stephen Sinclair	NZ\$602,500	Management and Directors' Fees
Jack Matthews	NZ\$50,000	Directors' Fees
Mandy Sigaloff	NZ\$50,000	Directors' Fees
Sarah Gibbs	NZ\$4,167	Directors' Fees

Jack Matthews and Mandy Sigaloff were considered to be independent directors and Geoff Ross, Grant Baker and Stephen Sinclair were not considered to be independent directors as at 31 March 2016.

Entries recorded in the interests register

The following entries were recorded in the Interests Register of the Company during the year to 31 March 2016.

Director Share Dealings

During the year the following directors disclosed under section 148 of the Companies Act 1993 that they acquired or disposed of relevant interests in ordinary shares issued by the Company:

Director	Number of shares acquired / (disposed)	Nature of relevant interest	Cash consideration paid / (received) \$	Date of acquisition or disposal	Notes
Mandy Sigaloff	31,729	Registered holder/ beneficial owner	25,000	17/04/2015	A
Jack Matthews	31,729	Registered holder/ beneficial owner	25,000	17/04/2015	B
Mandy Sigaloff	22,328	Registered holder/ beneficial owner	25,000	18/11/2015	C
Jack Matthews	14,960	Registered holder/ beneficial owner	16,750	18/11/2015	D
Geoff Ross	(158,750)	Registered holder/ beneficial owner	(525,463)	18/03/2016	E

A Issue of 31,729 shares held as registered holder and beneficial owner for \$25,000 directors' fees for the period from 1 October 2014 to 31 March 2015 on 17 April 2015.

B Issue of 31,729 shares held as registered holder and beneficial owner for \$25,000 directors' fees for the period from 1 October 2014 to 31 March 2015 on 17 April 2015.

C Issue of 22,328 shares held as registered holder and beneficial owner for \$25,000 directors' fees for

the period from 1 April 2015 to 30 September 2015 on 18 November 2015.

D Issue of 14,960 shares held as registered holder and beneficial owner for \$16,750 directors' fees net of withholding tax for the period from 1 April 2015 to 30 September 2015 on 18 November 2015.

E On market share sale of 158,750 shares as follows: Ross Venture Trust 138,750; Finn Ross 10,000; Gabriel Ross 10,000.

Other Directorships

The following represents the interests of directors in other companies as disclosed to the Company and entered in the Interests Register:

Geoff Ross	The Business Bakery LP, Director of General Partner and Limited Partner through associated family trust; Moa Group Limited, Director.
Grant Baker	The Business Bakery LP, Director of General Partner and Limited Partner through associated family trust; Turners Limited and GI Cancer Institute (NZ) Limited, Director.
Stephen Sinclair	The Business Bakery LP, Director of General Partner and Limited Partner through associated family trust.
Mandy Sigaloff	ClubQT Australia Pty Ltd, Director.
Jack Matthews	Crown Fibre Holdings Limited, The Network for Learning Limited, Rewardle Holdings Limited, APN Outdoor Holdings (NZ) Limited and Mediaworks Holdings Limited, Director.

Directors' Remuneration

The remuneration of non-executive directors is recorded in the interests register. Non-Executive Directors receive an annual fee of either A\$40,000 (Sarah Gibbs) or NZ\$50,000 (Mandy Sigaloff and Jack Matthews). Actual fees received in the year 31 March 2016 are stated above under the heading "Directors' Remuneration and Other Benefits."

The Business Bakery LP (associated with Executive Directors Grant Baker, Geoff Ross and Stephen Sinclair) is paid fees in connection with the executive director services provided on its behalf by Grant Baker, Geoff Ross and Stephen Sinclair pursuant to a consultancy agreement dated 25 March 2010.

Total payments made under this agreement during the year ended 31 March 2016 were NZ\$602,500.

Bill and George's Investments Ltd (associated with non-executive director Sarah Gibbs) receives directors' fee on behalf of Sarah Gibbs based on an annual fee of A\$40,000. Total payments made under these agreements during the year were NZ\$4,167.

Indemnity and Insurance

The company entered into an indemnity in favour of its directors under a deed dated 25 March 2010. The deed was subsequently amended on 27 April 2010.

Employees' Remuneration

During the year, the number of employees, not being directors of the Company, who received remuneration and the value of other benefits exceeding NZ\$100,000 was as follows:

Remuneration Range \$NZ	Number of Employees
100,000 - 110,000	5
110,000 - 120,000	6
120,000 - 130,000	5
130,000 - 140,000	4
140,000 - 150,000	2
160,000 - 170,000	4
170,000 - 180,000	3
180,000 - 190,000	4
200,000 - 210,000	1
250,000 - 260,000	1
270,000 - 280,000	1
430,000 - 440,000	1
500,000 - 510,000	1
530,000 - 540,000	1

Diversity Policy

The Company does not have a formal diversity policy. However it recognises the wide ranging benefits that diversity brings to an organisation and its workplaces.

As at 31 March 2016, the gender balance of the Company's directors, officers and employees is as follows:

As at 31 March 2016

	Directors No.	Directors %	Officers No.	Officers %	Employees No.	Employees %
Female	1	20%	7	64%	128	89%
Male	4	80%	4	36%	16	11%
Total	5	100%	11	100%	144	100%

As at 31 March 2015

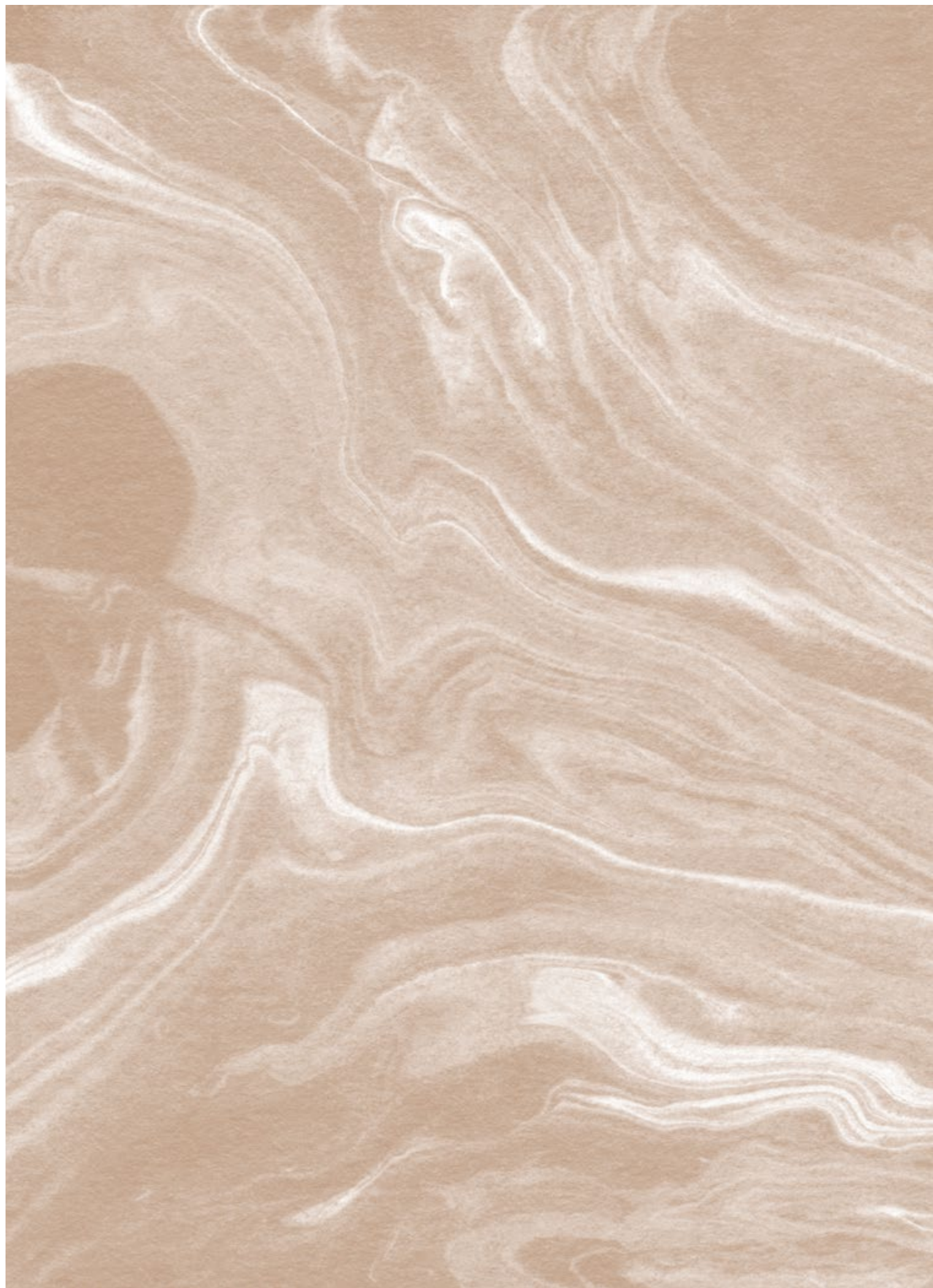
	Directors No.	Directors %	Officers No.	Officers %	Employees No.	Employees %
Female	2	33%	5	63%	75	82%
Male	4	67%	3	37%	17	18%
Total	6	100%	8	100%	92	100%

NZX Waivers Obtained During the Year to 31 March 2016

None were obtained.

Audit Fees

The amounts payable to PricewaterhouseCoopers as auditor of the Company are as set out in the notes to the financial statements.





SECTION 08

Corporate Directory & Shareholder Information



Corporate Directory

Directors

Mr Grant Baker	Executive Director	Appointed 31 January 2008
Mr Stephen Sinclair	Executive Director	Appointed 31 January 2008
Mr Geoff Ross	Chairman	Appointed 23 November 2009
Ms Mandy Sigaloff	Independent Director	Appointed 06 September 2013
Mr Jack Matthews	Independent Director	Appointed 15 August 2014

Registered Office and Address for Service

Level 6, Chelsea House
85 Fort Street, Auckland Central 1010

Telephone

(64) 9 367 9486

Facsimile

(64) 9 367 9473

Website

www.trilogyproducts.com/investors

Auditors

PricewaterhouseCoopers

Banker

Bank of New Zealand

Solicitors

Chapman Tripp



Shareholder Information

Company Publications

The Company informs investors of the Company's business and operations by issuing an Annual Report and an Interim Report.

Financial Calendar

Half year results announced November

Half year report December

End of financial year 31 March

Annual results announced May

Annual report June

Enquiries

Shareholders with enquiries about transactions or change of address should contact Computershare Investor Services on +64 9 488 8777. Other questions should be directed to the Company at the registered address.

Share Register

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road

Takapuna, North Shore City 0622

Private Bag 92 119, Auckland 1142, New Zealand

Telephone: +64 9 488 8777

Facsimile: +64 9 488 8787

Stock Exchange

The Company's shares trade on the NZX Main Board market operated by NZX Limited under the code TIL. The Board of the Company has also decided to apply to list the Company on the Australian Securities Exchange as an Exempt Foreign Entity, and trading on ASX is expected to commence in the second half of 2016.





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