

*The Colonial Motor Company Limited*

**Unaudited  
PRELIMINARY  
RESULT**

**For the year to  
30 June 2016**



Dear Shareholder

**Record trading profit after tax of \$19.2 million - up 18%**  
**Total dividends for the year of 40 cents - up 21%**

The directors are pleased to advise that the **Trading Profit after Tax** for the year to 30 June 2016 reached a record of \$19.2 million, up 18% on last year's \$16.3 million and 5% above the previous peak in 2014. The 2016 **Profit for the Year** including various non-trading adjustments was \$22.6 million.

**Trading**

The new vehicle industry in which CMC operates has achieved its highest levels ever and, in the first half of this calendar year, sales were 5% over the comparable period a year earlier. Within that growing market our two main brands, Ford and Mazda, have both increased their market share. The Ford Ranger, a light commercial, was New Zealand's top selling vehicle in the six months to June 2016. The Ford Mustang, the latest right-hand drive interpretation of the US 'muscle' car, has achieved exceptional market presence. Mazda is now the country's second most popular new passenger vehicle brand. Sales and profitability of heavy trucks were strong and forward orders remain good despite the market being slightly down.

As reported in February, profitability in the first three months of the financial year (July to September 2015) tracked closely to the preceding year. There was a distinct lift in the second quarter which continued throughout the rest of the year delivering the record annual result.

**Property**

CMC has purchased a site at Te Rapa, Hamilton which will soon be developed as a parts and service centre for Southpac Trucks.

South Auckland Motors' new airport service centre for Ford and Mazda was opened in January. Plans are under way to develop the remainder of the site for a pre-delivery workshop for the dealership. Work continues to reach agreement on a leased development for a further service centre in Takanini.

**Dividend**

The directors have declared a fully-imputed dividend of 27 cents per share to be paid on 17 October 2016 with a record date of 7 October. This takes the total of dividends paid for the financial year to 40 cents per share compared with 33 cents per share for the previous year. The total dividend payment for 2016 will be \$13.1 million.

The 2016 annual report will be published in late September including the notice of the 98<sup>th</sup> annual meeting to be held at midday on Friday, 4 November 2016 at the St. James Theatre, Courtenay Place, Wellington.

For and on behalf of the Board  
 J P (Jim) Gibbons  
 CHAIRMAN



## INCOME STATEMENT

### For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Revenue</b>		
Products	801,081	727,760
Services	64,449	59,876
Other Income	1,707	1,741
Total Revenue	<u>867,237</u>	<u>789,377</u>
<b>Less Expenses</b>		
Cost of Products Sold	727,605	661,033
Remuneration of Staff	70,082	63,160
Depreciation & Amortisation	4,182	4,180
Interest	4,260	5,356
Other	32,369	30,557
Trading Profit before Tax	<u>28,739</u>	<u>25,091</u>
Less Taxation		
Current	8,358	7,582
Deferred	68	75
	<u>20,313</u>	<u>17,434</u>
Less Non Controlling Interest	1,106	1,108
<b>Trading Profit after Tax</b>	<b>19,207</b>	<b>16,326</b>
Fair Value Revaluation of Property	662	(7)
Realised Gain on Property Sale	1,072	-
Deferred Tax Movement	141	1,016
Fair Value Revaluation of Investment	397	262
Profit after Tax	<u>21,479</u>	<u>17,597</u>
Profit for the year attributable to:		
Shareholders	21,479	17,597
Non Controlling Interests	1,106	1,108
<b>PROFIT FOR THE YEAR</b>	<b><u>22,585</u></b>	<b><u>18,705</u></b>



## STATEMENT OF COMPREHENSIVE INCOME

### For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
<b>Profit for the year</b>	22,585	18,705
Other comprehensive income		
Items that will not be reclassified subsequently to Profit or Loss:		
Property revaluation reserve		
Change in fair value	7,318	1,946
Deferred tax movement	(1,457)	(823)
Items that may be classified subsequently to Profit or Loss:		
Foreign exchange hedging reserve		
Change in fair value	(4,274)	3,432
Deferred tax movement	1,197	(961)
<b>Total comprehensive income</b>	<u>25,369</u>	<u>22,299</u>
<b>Attributable to:</b>		
<b>Shareholders</b>	<b>24,725</b>	<b>20,820</b>
Non-controlling interest	644	1,479
	<u><b>25,369</b></u>	<u><b>22,299</b></u>

	2016	2015
Basic & Diluted Earnings per Share on -		
- Profit for the year	65.7c	53.8c
- Trading Profit after Tax	58.7c	49.9c
Dividend per Share	40.0c	33.0c
Net Tangible Assets per Share	\$4.96	\$4.53

## STATEMENT OF CHANGES IN EQUITY

### For the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
<b>Equity at beginning of year</b>	152,576	142,620
Total comprehensive income	25,369	22,299
Dividends paid to Shareholders	(10,789)	(11,443)
Dividend paid to Non-controlling interest	(1,350)	(900)
<b>Equity at end of year</b>	<u><b>165,806</b></u>	<u><b>152,576</b></u>



## BALANCE SHEET

### As at 30 June 2016

	2016 \$'000	2015 \$'000
<b>Liabilities</b>		
Bank Borrowings	-	29,900
At Call Deposits	17,531	18,047
Vehicle Floorplan Finance *	59,942	54,725
Credit Contracts	4,996	5,819
Other Current Liabilities	41,753	51,833
<b>Total Current Liabilities</b>	<b>124,222</b>	<b>160,324</b>
<b>Non Current Liabilities</b>		
Credit Contracts	6,433	9,207
Deferred Tax	4,457	4,271
<b>Total Non Current Liabilities</b>	<b>10,890</b>	<b>13,478</b>
<b>Shareholders' Equity</b>		
Non Controlling Interest	1,983	2,689
<b>Total Equity and Liabilities</b>	<b>300,918</b>	<b>326,378</b>
<b>Assets</b>		
Inventory *	138,752	159,966
Cash & Bank	15,402	5,781
Property for Sale	350	14,128
Credit Contracts	4,891	5,669
Other Current Assets	32,816	39,680
<b>Total Current Assets</b>	<b>192,211</b>	<b>225,224</b>
<b>Non Current Assets</b>		
Property, Plant & Equipment	99,188	89,158
Credit Contracts	6,433	9,207
Other Non Current Assets	3,086	2,789
<b>Total Non Current Assets</b>	<b>108,707</b>	<b>101,154</b>
<b>Total Assets</b>	<b>300,918</b>	<b>326,378</b>

These Summary Financial Statements have not been audited.

*\*Restated in line with the change in accounting policy to include bailment balances at 30 June 2015. Please refer to the Half Year Report for the six months to 31 December 2015.*



## STATEMENT OF CASH FLOWS

### For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Net Cash Flows from:</b>		
Operating Activities	38,242	(2,364)
Investing Activities	8,717	(12,915)
Financing Activities	(37,338)	13,931
Net Increase / (Decrease) in Cash Held	9,621	(1,348)
Opening Cash Balance	5,781	7,129
<b>Closing Cash Balance</b>	<b>15,402</b>	<b>5,781</b>
<b>Cash Flow Reconciliation</b>		
Profit for the Year	22,585	18,705
Adjustment for Non Cash Items	1,932	2,918
Movement in Working Capital	13,725	(23,987)
<b>Net Cash Flow from Operating Activities</b>	<b>38,242</b>	<b>(2,364)</b>



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