

*The Colonial Motor Company Limited*

Unaudited  
**PRELIMINARY  
RESULT**

For the year to  
30 June 2017



Dear Shareholder

**Trading profit after tax up 15% to \$22m.  
Total dividends for the full year up 4 cents to 44 cents  
per share.**

The directors are pleased to advise that the trading profit after tax for the year to 30 June 2017, reached a record \$22.0m, up 15% on last year. Total profit after tax for the year at \$23.5m was up 4% on last year.

**Trading**

The new vehicle industry continues to grow. In the 12 months to 30 June 2017, the number of vehicles sold was up 14% over the same period a year ago. Trends within the mix of vehicles sold continue with SUVs now the largest segment, followed by light commercials second, and hatchbacks/sedans the smallest. This segmentation shift favours some brands over others. Mazda with its SUV range of CX3, CX5, and CX9 is well placed. Ford is successful in light commercials. The Ford Ranger continues to be the top selling vehicle in NZ.

The very heavy commercial market is also increasing after two years of small decline from a peak in 2014. Our heavy truck brands, Kenworth and DAF, have benefited from this turnaround.

Profitability was above the equivalent period last year in three of the four quarters of the year. The small drop in annual revenue reflects the sale of the BMW dealerships. However, the underlying business continues to grow.

**Developments**

Southpac Trucks' new parts and service facility in Hamilton opened on time in June 2017. New developments for South Auckland Motors at Takanini (leased), and Macaulay Motors in Queenstown continue as planned.

**Outlook**

The combination of low interest rates, strong exchange rate and new desirable technologies continues to stimulate growth in new vehicle sales. The outlook for both light and heavy vehicles is positive. However, as always, we are dependent on consumer confidence remaining high.

**Dividend**

The directors have declared a fully-imputed dividend of 31 cents per share to be paid on 16 October 2017, with a record date of 6 October. This takes the total dividend declared for the financial year to 44 cps, totalling \$14.4m, compared to 40 cps totalling \$13.1m for the previous year.

The 2017 annual report will be published in late September, including notice for the 99<sup>th</sup> annual general meeting to be held at midday on Friday, 3 November at the Michael Fowler Centre, Wakefield Street, Wellington.

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



**STATEMENT OF PROFIT OR LOSS**  
For the year ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>Revenue</b>		
Products	786,945	801,081
Services	65,915	64,449
Other Income	1,903	1,707
<b>Total Revenue</b>	<b>854,763</b>	<b>867,237</b>
<b>Less Expenses</b>		
Cost of Products Sold	716,611	727,605
Remuneration of Staff	69,172	70,082
Depreciation & Amortisation	3,750	4,182
Interest	3,852	4,260
Other	29,328	32,369
<b>Trading Profit before Tax</b>	<b>32,050</b>	<b>28,739</b>
<b>Less Taxation</b>		
Current	9,075	8,358
Deferred	(328)	68
	23,303	20,313
<b>Less Non Controlling Interest</b>	<b>1,303</b>	<b>1,106</b>
<b>Trading Profit after Tax</b>	<b>22,000</b>	<b>19,207</b>
Fair Value Revaluation of Property	(119)	662
Realised Gain on Property Sale	9	1,072
Deferred Tax Movement	113	141
Fair Value Revaluation of Investment	544	397
Impairment of intangibles	(315)	-
<b>Profit after Tax</b>	<b>22,232</b>	<b>21,479</b>
Profit for the year attributable to:		
Shareholders	22,232	21,479
Non Controlling Interests	1,303	1,106
<b>PROFIT FOR THE YEAR</b>	<b>23,535</b>	<b>22,585</b>



**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
<b>Profit for the year</b>	23,535	22,585
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Property revaluation reserve		
Change in fair value	7,414	7,318
Deferred tax movement	(9)	(1,457)
Items that may be classified subsequently to profit or loss:		
Foreign exchange hedging reserve		
Change in fair value	789	(4,274)
Deferred tax movement	(221)	1,197
<b>Total comprehensive income</b>	<b>31,508</b>	<b>25,369</b>
<b>Attributable to:</b>		
<b>Shareholders</b>	<b>30,120</b>	<b>24,725</b>
Non-controlling interest	1,388	644
	<b>31,508</b>	<b>25,369</b>

	2017	2016
Basic & Diluted Earnings per Share on -		
- Profit for the year	68.0c	65.7c
- Trading Profit after Tax	67.3c	58.7c
Dividend per Share	44.0c	40.0c
Net Tangible Assets per Share	\$5.50	\$4.96

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
<b>Equity at beginning of year</b>	165,805	152,576
Total comprehensive income	31,508	25,368
Dividends paid to Shareholders	(13,078)	(10,789)
Dividend paid to Non-controlling interest	(1,350)	(1,350)
<b>Equity at end of year</b>	<b>182,885</b>	<b>165,805</b>



**BALANCE SHEET**  
**As at 30 June 2017**

	2017 \$'000	2016 \$'000
<b>Liabilities</b>		
Bank Borrowings	7,800	-
At Call Deposits	18,017	17,531
Vehicle Floorplan Finance	54,709	59,942
Credit Contracts	3,637	4,996
Other Current Liabilities	41,043	41,753
<b>Total Current Liabilities</b>	<b>125,206</b>	<b>124,222</b>
<b>Non Current Liabilities</b>		
Credit Contracts	4,556	6,433
Deferred Tax	4,245	4,457
<b>Total Non Current Liabilities</b>	<b>8,801</b>	<b>10,890</b>
<b>Shareholders' Equity</b>	<b>180,864</b>	<b>163,823</b>
Non Controlling Interest	2,021	1,983
<b>Total Equity and Liabilities</b>	<b>316,892</b>	<b>300,918</b>
<b>Assets</b>		
Inventory	147,767	138,752
Cash & Bank	8,060	15,402
Property for Sale	-	350
Credit Contracts	3,561	4,891
Other Current Assets	34,747	32,816
<b>Total Current Assets</b>	<b>194,135</b>	<b>192,211</b>
<b>Non Current Assets</b>		
Property, Plant & Equipment	115,124	99,188
Credit Contracts	4,557	6,433
Other Non Current Assets	3,076	3,086
<b>Total Non Current Assets</b>	<b>122,757</b>	<b>108,707</b>
<b>Total Assets</b>	<b>316,892</b>	<b>300,918</b>

These Summary Financial Statements have not been audited.



**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2017

	2017 \$'000	2016 \$'000
<b>Net Cash Flows from:</b>		
Operating Activities	15,827	38,242
Investing Activities	(11,794)	8,717
Financing Activities	(11,375)	(37,338)
Net Increase / (Decrease) in Cash Held	(7,342)	9,621
Opening Cash Balance	15,402	5,781
<b>Closing Cash Balance</b>	<b>8,060</b>	<b>15,402</b>
 <b>Cash Flow Reconciliation</b>		
Profit for the Year	23,535	22,585
Adjustment for Non Cash Items	3,162	1,932
Movement in Working Capital	(10,870)	13,725
<b>Net Cash Flow from Operating Activities</b>	<b>15,827</b>	<b>38,242</b>



*The Colonial Motor Company Limited*

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