



ANNUAL REPORT 2016



METRO
PERFORMANCE GLASS

*METRO
PERFORMANCE
GLASS
LIMITED
ANNUAL
REPORT
2016*

Financial Statements
For the period ended 31 March 2016





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WHO WE ARE

With over 800 staff and seventeen branches located throughout the country, we supply and service the architectural, building and residential markets with industry leading glass products.

Whether it be high performance Low E double glazing units for new builds or the retrofit market, bathroom shower screens, kitchen splashback or pool and deck balustrades, Metro Performance Glass have been at the forefront of providing performance glass products and industry leading customer service, what we like to call Performance without Compromise.

Metro Performance Glass

Auckland (Head Office)

5 Lady Fisher Place
Highbrook, Auckland
(09) 927 3000

Bay of Plenty

88 Portside Drive
Mt Maunganui, Bay of Plenty
(07) 575 5503

Wellington

18 Jamaica Drive
Grenada North, Wellington
(04) 232 9920

Christchurch

700 Halswell Junction Road
Hornby, Christchurch
(03) 348 4184

Metro Direct & Retrofit

Whangarei

28 Porowini Ave
Whangarei
(09) 438 9399

Hamilton

32 The Boulevard
Te Rapa Park, Hamilton
(07) 850 6371

Napier

9 Niven Street
Onekawa, Napier
(06) 843 3777

Palmerston North

193 John F Kennedy Drive
Palmerston North
(06) 354 2071

Taranaki

9 Oropuriri Road
New Plymouth
(06) 758 8366

Nelson

146 Tahunanui Drive
Nelson 7011
(03) 546 5365

Cromwell

Ree Crescent
Cromwell, Central Otago
(03) 445 4530

Dunedin

140 Portsmouth Drive
Dunedin
(03) 477 9485

Other Metro Glass Sites

Christchurch Glass

35 Hammersmith Drive
Wigram, Christchurch
(03) 343 5103

Auckland Retrofit

15 Woodson Place
Wairau Valley
(09) 415 0470

Mint Glass

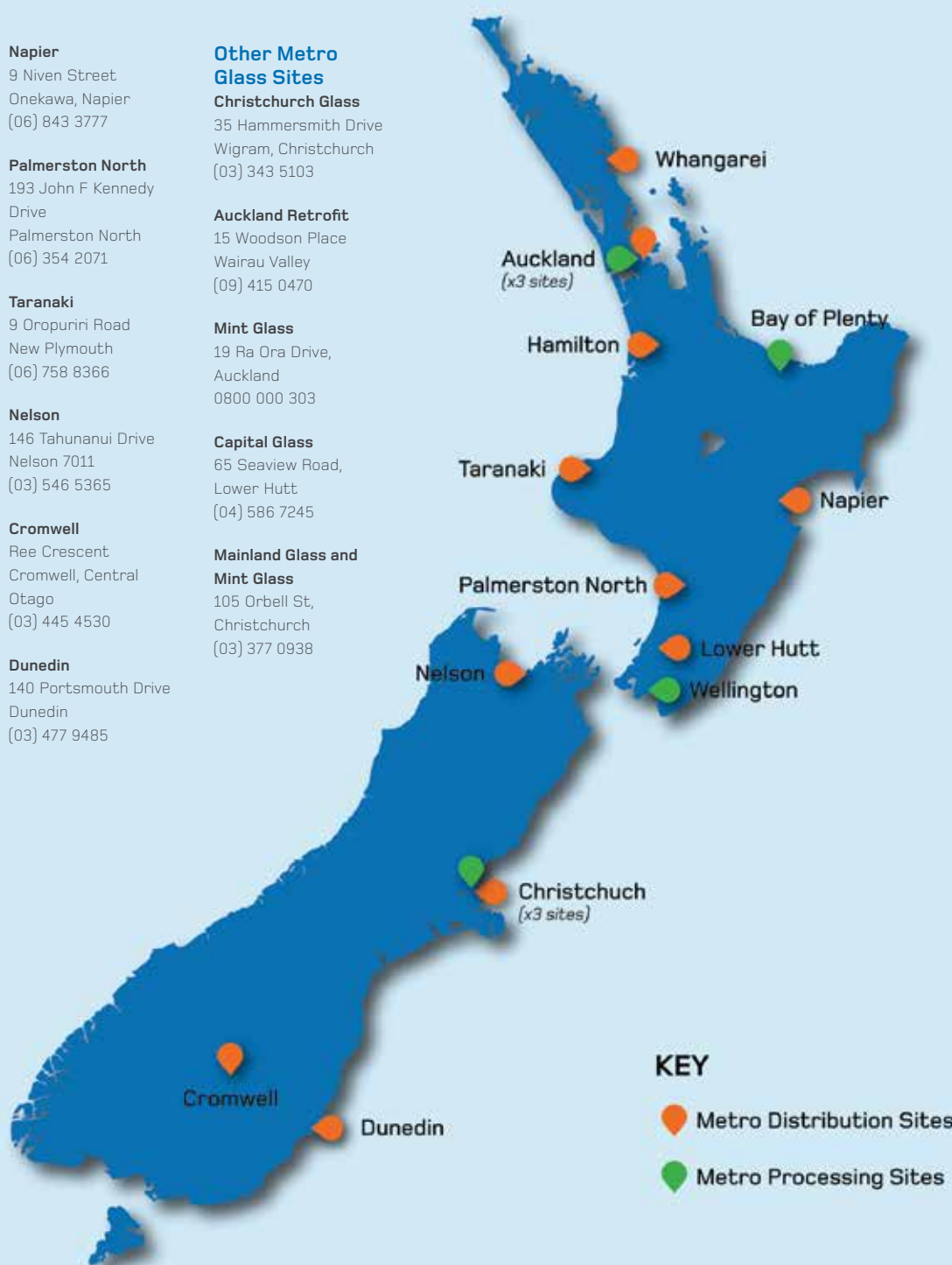
19 Ra Ora Drive,
Auckland
0800 000 303

Capital Glass

65 Seaview Road,
Lower Hutt
(04) 586 7245

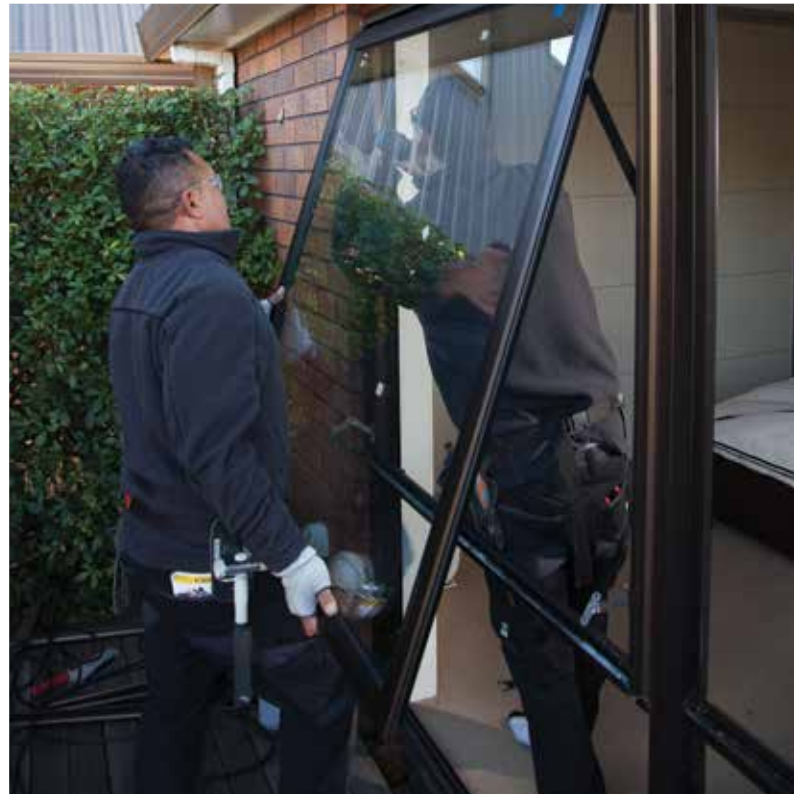
Mainland Glass and

Mint Glass
105 Orbell St,
Christchurch
(03) 377 0938





OUR PEOPLE



*METRO PERFORMANCE GLASS
IS NEW ZEALAND'S LARGEST
AND MOST INNOVATIVE GLASS
PROCESSOR, DISTRIBUTOR
AND GLAZIER.*

CHAIRMAN'S REVIEW



“METRO GLASS HAS COMPLETED ITS FIRST FULL FINANCIAL YEAR AS A PUBLICLY LISTED COMPANY HAVING DELIVERED A STRONG RESULT, WHILE CONTINUING TO INVEST TO ENSURE IT IS WELL POSITIONED TO BENEFIT FROM THE SIGNIFICANT OPPORTUNITIES IT SEES EMERGING WITHIN THE MARKETPLACE.”

FINANCIAL RESULTS

The company has benefited from operational improvements and continued growth in housing and commercial construction markets. Annual revenue grew by approximately 10% to \$188.0 million, when compared to the prior 12 months on a pro-forma basis. This growth was achieved despite external industry constraints, including certain supply shortages and ongoing execution delays in the commercial construction market. Accordingly, a large number of commercial projects that the company has won, have had commencement dates pushed back. Net profit after tax was \$20.5 million, within the guidance range provided with the company's half year results released in November 2015¹.

The prior financial year's reported revenue of \$115.0 million and net profit after tax of \$9.6 million are not directly comparable to this year's result as they covered only eight months of trading².

Gross profit margins improved during the year as the company realised efficiency benefits in its four glass processing plants. However glazing costs increased reflecting the company's strategic decision to build its glazing capability in advance of executing its commercial forward order book.

Gearing³ has improved to 22.7% as at 31 March 2016 from 24.9% in the prior year, leaving the company in a strong position with adequate financial flexibility to fund future growth opportunities.

OPERATIONAL RESULTS

Our business model is driven by customised product, short lead times and a broad product range that requires a flexible approach to manufacturing. Using this model, the company increased its market share in the residential double glazing market by an estimated 3% and grew its commercial order book by 70% to \$27.0 million as at 31 March 2016. Additionally, its Retrofit double glazing business has continued its rapid development, offering strong prospects for long-term, counter-cyclical growth.

DIVIDEND

Reflecting directors' confidence in the future, the board has declared a fully imputed final dividend of 4.0 cents per share, taking total dividends for the year to 7.6 cents per share.

The record date for dividend entitlements is 8 July 2016 and the payment date is 25 July 2016.

OUTLOOK

Metro Glass will continue to be successful by focussing on customer demands and delivering market-leading products, while striving to deliver all of this at New Zealand's lowest cost.

The company is fortunate in that its people are committed to this vision and the Board thanks all staff and stakeholders for their efforts over the past year.

The company is enjoying favourable market conditions and is well positioned for the future.

On behalf of the Board



Sir John Goulter KNZM, JP
Chairman
24th June 2016

¹On 23 November 2015 Metro Glass said it was maintaining its guidance for revenue and net profit after tax for the year to 31 March 2016 in the vicinity of \$190 million and in the range of \$20 - \$22 million respectively.

²The Company began trading only after acquiring Metroglass Holdings Limited at the time of NZX / ASX listing in July 2014.

³Gearing: net interest bearing debt / (net interest bearing debt + equity).

CHIEF EXECUTIVE’S REPORT

MARKET OVERVIEW

Metro Performance Glass is performing well and benefiting from favourable market conditions. Construction activity and building consents have recovered to levels last seen prior to the Global Financial Crisis as the sector benefits from record net migration, low interest rates and a historical residential under-build. The company sees no sign of this momentum slowing in the immediate future.

New Zealand residential consents grew 11% in the year to 31 March 2016, reaching some 27,800. Consent growth was led by the upper North Island with twelve month consent growth in the Northland, Waikato and Bay of Plenty regions each exceeding 30% year-on-year.

Auckland residential consents rose 20% to 9,500 over the past twelve months, but this is still well short of the level required to keep up with population growth in the city, let alone that needed to make up the growing backlog of demand.

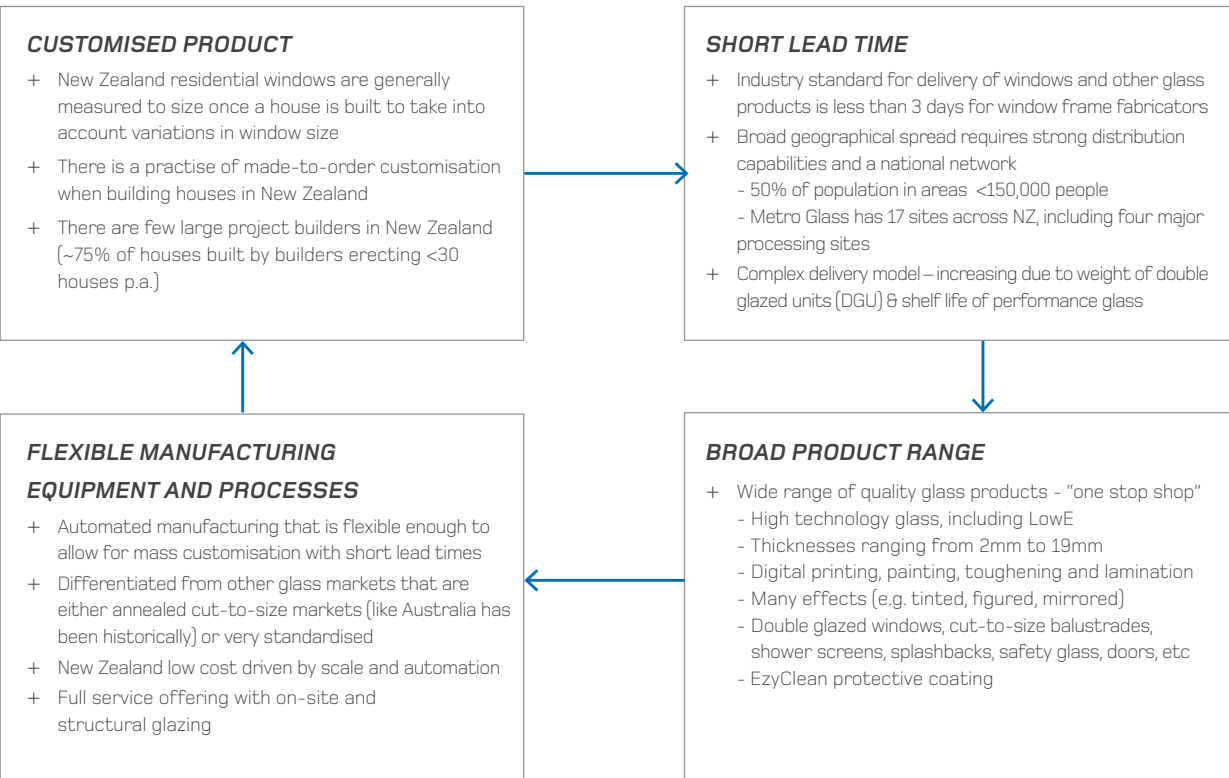
Consent issuance in Canterbury remains at historically elevated levels but activity has been declining over the past 12 months as expected, with the post-earthquake residential rebuild largely complete.

Commercial construction markets are lumpy, but we continue to see a significant pipeline of projects both consented and yet to gain consent, particularly in Auckland and Christchurch.

STRATEGY

Metro Glass’ business model is driven by customised product, short lead times and a broad product range that requires a flexible approach to manufacturing. Combining this business model with Metro Glass’ scale, people and intellectual property enables the company to both protect and further strengthen its market leadership.

Metro Glass’ Business Model





OPERATIONAL UPDATE

Excellent progress was made on all operational priorities for the year. The company increased both its revenue and its market share of residential double glazed windows.

The company targeted a greater share of the growing commercial construction market and its positive progress can be seen in the 70% growth in our forward order book of commercial projects. In anticipation of this growth, we have invested significantly in glazing capabilities and resources ahead of the execution curve. This was one of the key drivers in staff numbers which increased from 750 to 800 during the year.

We also sought to drive our Retrofit double glazing business, which offers to underpin the company's longer-term earnings. These efforts were rewarded with a 39% increase in revenue and we expect to maintain this strong momentum into the future. Investments have included online sales tools that assist with quoting retrofitted doubled glazed units, as well as a significant brand advertising campaign.

We continue to target both a service and cost leadership position through manufacturing excellence. Our four processing plants in Auckland, Christchurch, Wellington and Bay of Plenty each processed record volumes of glass and achieved improved labour productivity with the new Auckland plant in particular beginning to deliver tangible cost savings. That said, the company still sees further opportunities to drive continued manufacturing improvement.

Customer service levels, as measured by the proportion of orders Metro Glass delivered in full and on time (DIFOT), were variable and below our high in-house standards⁴. This performance reflected the pressures imposed by record glass volumes and the growing demand for high-specification glass which is more complex to process. It also reflected external market constraints including disruptions to the supply of certain materials.

The construction and commissioning of the Auckland factory brought to a close the company's recent capacity expansion programme. During the year the company invested \$11.4 million in new capabilities including market-leading edge-working, digital printing and lamination capabilities at the Auckland processing plant and continued the upgrade and expansion of our vehicle service fleet. We also continued to develop our distribution channels and customer service capabilities. These efforts included three small "bolt-on" acquisitions⁵.

Additionally, the company also made important investments in improving health and safety, through new equipment, systems and processes, all of which delivered favourable results.

SUMMARY

We are pleased with the progress the company has made over the past twelve months, and thank our dedicated people for their efforts.

Metro Glass is enjoying favourable market conditions and is well positioned for the future.

Nigel Rigby
Director & Chief Executive

24th June 2016

⁴With all plants now running in a 'business-as-usual' state, Metro Glass has ceased reporting actual DIFOT data externally.

⁵Acquired certain assets of Mainland Glass (Christchurch), Ultra Glass (Wellington) and Mint Glass (multiple regions).

BOARD OF DIRECTORS



SIR JOHN GOULTER KNZM, JP
Independent, Non-Executive
Chairman and Member of Audit and
Risk Committee

Sir John has long-standing experience in both the public and private sectors in New Zealand. He currently acts as Chairman of the New Zealand Business and Parliament Trust, Marsden Maritime Holdings Limited, and Northport Limited. He is a former Chair of the NZ Lotteries Commission and NZ Carriers Group; a former director of the Reserve Bank of New Zealand, Television NZ Limited, Vector Limited and was the inaugural Managing Director of Auckland International Airport Limited.

In 2003, Sir John was appointed the New Zealand Herald Business Leader of the Year and a Distinguished Companion of the New Zealand Order of Merit (DCNZM) for services to business and the community. This honour was re-designated as Knight Companion of the New Zealand Order of Merit (KNZM) in 2009.

Sir John is a graduate of Harvard Business School (Advanced Management Program), a Justice of the Peace and a Fellow of the New Zealand Institute of Management. He was inducted as a Laureate into the New Zealand Business Hall of Fame in 2003.



NIGEL RIGBY
Executive Director and Chief
Executive Officer

Nigel was appointed as Chief Executive Officer of Metro Performance Glass in 2012. Nigel has over 15 years' of experience working in the building products sector in New Zealand, Australia, Asia and the United States.

Prior to joining Metro Performance Glass, Nigel was with the James Hardie group for 13 years, including Executive General Manager – USA for James Hardie. In this role he led James Hardie's largest international business division, which included managing large and complex capital projects as well as the day-to-day management and responsibility for the performance of this division.



GORDON BUSWELL
Independent, Non-Executive Director

Gordon has more than 25 years' experience in the building and construction industry. He currently holds a number of industry associated directorships, including the Building Industry Federation, Platinum Homes Limited, Construction Strategy Group and the Registered Master Builders Association of New Zealand. He is also a member of the New Zealand Institute of Directors.

Prior to moving into governance roles, Gordon was the chief executive of Independent Timber Merchants (ITM) for 13 years and also spent 12 years with Carter Holt Harvey.

Gordon holds a Bachelor of Commerce from the University of Auckland.



MICHAEL ALSCHER
Non-Executive Director

Michael is the Managing Partner and founder of Crescent Capital Partners, a leading Australian based private equity firm with \$1.5 billion in funds under management, specialising in high growth companies and certain industries such as healthcare and the services sector across multiple disciplines. Prior to founding Crescent in 2000, Michael was a strategy consultant at Bain International and the LEK Partnership as well as holding several senior operating roles.

Michael is currently the Chairman of Cardno Limited and a Non-Executive Director of ClearView Limited which are both listed on the ASX. He is also the Non-Executive Chair of Australian Clinical Labs and National Dental Care.

Michael holds a Bachelor of Commerce (Finance & Mathematics) from the University of New South Wales.



RUSSELL CHENU
Independent, Non-Executive Director and Chairman of Audit & Risk Committee

Russell has significant experience in the corporate sector with more than 22 years in senior management roles. He has considerable experience in financial roles, including with building products companies. Russell is currently an independent director and the Chairman of the Audit and Risk Committee of ASX listed businesses Leighton Holdings Limited and Reliance Worldwide Corporation Limited.

Russell had a 23 year career at James Hardie, holding various management and executive positions in a number of countries, including most recently serving as group Chief Financial Officer from 2004 to 2013.

Before this role, Russell served as Chief Financial Officer for several ASX-listed companies (Tab, Delta Gold, Australian National Industries and Pancontinental Mining) and Mighty River Power. Russell was also previously Treasurer of Pioneer International.

Russell has a Bachelor of Commerce from The University of Melbourne, an MBA from Macquarie Graduate School of Management and is a Member of the Society of Certified Practising Accountants (Australia).



WILLEM (BILL) ROEST
Independent, Non-Executive Director and Member of Audit & Risk Committee

Bill has extensive experience in the New Zealand corporate sector both in executive and non-executive functions, in particular in the domains of finance and corporate governance.

He is currently on the boards of Synlait Milk (where he chairs the Audit and Risk Committee), Fisher & Paykel Appliances (where he chairs the Audit Committee) and New Zealand Housing Foundation.

Prior to his non-executive roles, Bill held the position of Chief Financial Officer at Fletcher Building for 12 years. Before this, he held several leadership roles within the Fletcher Group, including Managing Director of Fletcher Residential and Fletcher Aluminium.

Bill is a Fellow of the Association of Chartered Certified Accountants (United Kingdom) and an Associate member of the Chartered Accountants Australia and New Zealand.

EXECUTIVE TEAM



JOHN FRASER-MACKENZIE
Chief Financial Officer

John was appointed Chief Financial Officer and Company Secretary in May 2015. Prior to his appointment, John worked for Goodman Fielder for eight years, initially as Finance Director of the Dairy Division and latterly as New Zealand Finance Director. Prior to Goodman Fielder he held a number of business development and finance roles for Heinz in Europe.

John is a chartered accountant and holds a Bachelor of Business Science in Finance from the University of Cape Town.



GEOFF RASMUSSEN
General Manager Operations

Geoff has more than 18 years' of experience in various senior management roles at Metro Performance Glass and was appointed General Manager, Operations in April 2011.

Geoff has 30 years' of experience in the glass industry combining a trade background with experience including sales, production and operations management.



DEAN BROWN
General Manager North Island

Dean joined Metro Performance Glass as North Island General Manager in July 2015. Dean has held a number of senior roles in the manufacturing and processing industries, most recently being the Upper North Island General Manager for Waste Management.

Dean has an MBA from Auckland University.



BARRY PATERSON
General Manager South Island

Barry has 15 years' of experience across the New Zealand and Australian glass industries. He has held a diverse range of commercial and management finance roles in the arable and manufacturing industries, and was elected to the Westland Milk Products board in November 2010.

Barry holds a Bachelor of Commerce and Management and a Post Graduate Diploma in Marketing.



LEN HATTON
General Manager People and Organisational Development

Len has over 20 years' Human Resources experience gained in the FMCG, pharmaceutical, cosmetics, tourism and publishing sectors, most recently spending 6 years leading Human Resources for APN News & Media New Zealand.

Len holds a Masters of Social Sciences with Honours from the University of Waikato.



OUR RESULTS

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 March

	Notes	12 Months Consolidated 2016 \$'000	8 Months Consolidated 2015 \$'000
Sales revenue		188,037	114,998
Cost of sales	2.3	(90,724)	(57,205)
Gross profit		97,313	57,793
Distribution and glazing related expenses	2.3	(35,329)	(19,779)
Selling and marketing expenses	2.3	(8,774)	(4,879)
Administration expenses	2.3	(23,086)	(16,059)
Operating profit		30,124	17,076
Interest expense		(3,380)	(2,118)
Interest income		210	28
Profit before income taxation		26,954	14,986
Income taxation expense	6.1	(6,459)	(5,427)
Profit for the period		20,495	9,559
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges		(2,324)	1,122
Total comprehensive income for the period attributable to shareholders		18,171	10,681
Earnings per share			
Basic earnings per share (cents per share)	2.4	11.1	5.3
Diluted earnings per share (cents per share)	2.4	11.1	5.2

The Board of Directors authorised these financial statements for issue on 26 May 2016.

For and on behalf of the Board:

 Sir John Goulter, KNZM, JP
Chairman

 Nigel Rigby
Chief Executive Officer

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March

	Notes	Consolidated 2016 \$'000	Consolidated 2015 \$'000
Assets			
Current assets			
Cash and cash equivalents		6,404	7,609
Trade and other receivables	3.1	25,858	24,603
Inventories	3.2	17,655	11,431
Derivative financial instruments	3.4	-	1,068
Current income tax asset		-	37
Other current assets		2,538	1,840
Total current assets		52,455	46,588
Non-current assets			
Property, plant and equipment	4.1	47,997	43,496
Deferred tax assets	6.2	2,715	-
Intangible assets	4.2	127,743	128,145
Total non-current assets		178,455	171,641
Total assets		230,910	218,229
Liabilities			
Current liabilities			
Trade and other payables	3.3	21,543	16,770
Income tax liability		2,365	-
Derivative financial instruments	3.4	2,875	715
Provisions		240	909
Total current liabilities		27,023	18,394
Non-current liabilities			
Deferred tax liabilities	6.2	2,998	1
Interest bearing liabilities	5.1	50,000	55,000
Lease incentive		2,255	2,155
Total non-current liabilities		55,253	57,156
Total liabilities		82,276	75,550
Net assets		148,634	142,679
Equity			
Contributed equity	5.2	304,587	302,746
Retained earnings		16,732	9,559
Group reorganisation reserve		(170,665)	(170,665)
Share based payments reserve		50	785
Cash flow hedge reserve		(2,070)	254
Total equity		148,634	142,679

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March

		CONSOLIDATED 2016			
		Contributed equity	Reserves	Retained earnings	Total
	Notes	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 April 2015		302,746	(169,626)	9,559	142,679
Profit for the period		-	-	20,495	20,495
Other comprehensive income for the period		-	(2,324)	-	(2,324)
Total comprehensive income for the period		-	(2,324)	20,495	18,171
Dividends paid		-	-	(13,322)	(13,322)
Payments received on management incentive plan shares	5.2	944	-	-	944
Transfer share based payments reserve to equity	5.2	897	(897)	-	-
Movement in share based payments reserve		-	162	-	162
Total transactions with owners, recognised directly in equity		1,841	(735)	(13,322)	(12,216)
Balance at 31 March 2016		304,587	(172,685)	16,732	148,634

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March

	CONSOLIDATED 2015			
	Contributed equity	Reserves	Retained earnings	Total
	Notes \$'000	\$'000	\$'000	\$'000
Opening balance at 30 May 2014	-	-	-	-
Profit for the period	-	-	9,559	9,559
Other comprehensive income for the period	-	1,122	-	1,122
Total comprehensive income for the period	-	1,122	9,559	10,681
Issue of share capital - Initial public offering	244,236	-	-	244,236
Issue of share capital - Acquisition of Metroglass Holdings Limited	62,300	-	-	62,300
IPO expenses included in contributed equity	(7,045)	-	-	(7,045)
Contributions to shares issued to key management employees	2,750	-	-	2,750
Acquired upon group reorganisation	-	(170,471)	-	(170,471)
Transfer share based payments reserve to equity	505	(505)	-	-
Movement in share based payments reserve	-	228	-	228
Total transactions with owners, recognised directly in equity	302,746	(170,748)	-	131,998
Balance at 31 March 2015	302,746	(169,626)	9,559	142,679

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 March

	12 Months Consolidated 2016 Notes \$'000	8 Months Consolidated 2015 \$'000
Cash flows from operating activities		
Receipts from customers	187,530	112,712
Payments to suppliers and employees	(154,048)	(82,833)
Interest received	210	50
Interest paid	(3,215)	(1,722)
Income taxes paid	(2,872)	(5,201)
Net cash inflow from operating activities	27,605	23,006
Cash flows from investing activities		
Payments for property, plant & equipment	(9,589)	(17,847)
Payments for intangible assets	(1,843)	(2,615)
Acquisition of Metroglass Holdings Limited (net of cash acquired)	-	(219,096)
Net cash outflow from investing activities	(11,432)	(239,558)
Cash flows from financing activities		
Repayment of borrowings	(5,000)	(64,000)
Drawdown of borrowings	-	55,000
Ordinary shares issued	-	244,236
Payments received on management incentive plan shares	944	-
IPO expenses included in contributed equity	-	(7,045)
IPO expenses included in statement of comprehensive income	-	(4,030)
Dividend paid	(13,322)	-
Net cash inflow/outflow from financing activities	(17,378)	224,161
Net increase in cash and cash equivalents	(1,205)	7,609
Cash and cash equivalents at the beginning of the period	7,609	-
Cash and cash equivalents at end of the period	6,404	7,609

The above Statement of Changes in Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the period ended 31 March

	12 Months Consolidated 2016 \$'000	8 Months Consolidated 2015 \$'000
Reconciliation of profit after income tax to net inflow from operating activities		
Profit for the period	20,495	9,559
Items not involving cash flows		
Depreciation expense	5,176	2,632
Amortisation of intangible assets	2,245	1,119
Share based payments expense	162	228
Movement in deferred tax	795	752
Movement in doubtful debt provision	(640)	65
	7,738	4,796
Impact of changes in working capital items		
Accounts receivable and other assets	(618)	8,388
Inventory	(6,224)	(3,298)
Trade creditors & employee entitlements	3,386	(281)
Interest accruals	165	418
Warranty provision	(300)	-
Onerous lease provision	(504)	(2,450)
Lease incentive provision	235	2,155
Goods & services tax (GST) payable	314	223
Income tax liability	3,005	(526)
	(541)	4,629
Items classified as investing or financing activities		
Surplus on disposal of assets	(87)	(8)
IPO expenses included in statement of comprehensive income	-	4,030
	(87)	4,022
Net cash flow from operating activities	27,605	23,006

NOTES TO THE FINANCIAL STATEMENTS

Metro Performance Glass is pleased to present a new structure for our audited financial statements.

The new structure has been designed to make the financial statements less complex and more readable for our shareholders and other stakeholders. The disclosures have been grouped under the following four sections:

Performance
Working Capital
Long Term Assets
Debt & Equity
Other

Each section sets out the accounting policies applied in producing the notes to these financial statements, along with details of any key judgements and estimates used. Other accounting policies are included in Note 1.

1. BASIS OF PREPARATION

Reporting entity

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

Statutory base

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 5 Lady Fisher Place, East Tamaki, Auckland. The incorporation date for Metro Performance Glass Limited was 30 May 2014 and as part of a group reorganisation was listed on the New Zealand Securities Exchange (NZX) on 29 July 2014.

The comparative trading results presented encompass the eight month period from listing date to 31 March 2015. No material transactions occurred in the period between the Company's incorporation and the acquisition of Metroglass Holdings Limited on 29 July 2014.

Basis of preparation

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

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

Metro Performance Glass Limited is a limited liability company registered under the New Zealand Companies Act 1993 and is a Financial Market Conduct reporting entity under Part 7 of the Financial Market Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules. In accordance with the Financial Markets Conduct Act 2013, because group financial statements are prepared and presented for Metro Performance Glass Limited and its subsidiaries, separate financial statements for Metro Performance Glass Limited are no longer prepared and presented.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Historical cost convention

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

Principles of consolidation

The financial statements incorporate the assets and liabilities of all subsidiaries of Metro Performance Glass Limited ('the company' or 'the parent entity') as at 31 March 2016 and the results of all subsidiaries for the period then ended.

Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

Monetary assets and liabilities arising from transactions or overseas borrowings that remain at balance date are translated at period end closing rates at 31 March 2016.

Goods and Services Tax (GST)

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

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards adopted by the Group

There are no significant impacts from the adoption of any new standards or amendments by the Group during the period. The adoption of NZ IFRS 15 'Revenue' and NZ IFRS 9 'Financial Instruments' will be mandatory from periods beginning on or after 01 January 2018. These are not expected to have a significant impact on the Group's financial statements.

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 are discussed in each accounting note as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. FINANCIAL PERFORMANCE

2.1 Segment information

Operating segments of the Group at 31 March 2016 have been determined based on financial information that is regularly reviewed by the Board in conjunction with the Chief Executive Officer and Chief Financial Officer, collectively known as the Chief Operating Decision Maker for the purpose of allocating resources, assessing performance and making strategic decisions.

Substantially all of the Group's revenue is derived from the sale of glass and related products and services. All revenue from external customers is attributed to sales in New Zealand. All non-current assets (excluding financial instruments and deferred tax assets) are located in New Zealand.

2.2 Revenue

Accounting policy

Revenue comprises the value of the consideration received 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.

Sales of goods

The Group operates a network of processing and retail branches for the provision and assembly of customized glass products across New Zealand. Sales of goods are recognised when a Group entity has delivered glass products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Sales of services

The Group provides nationwide glazing services throughout the Metro Performance Glass branch network. For sales of glazing services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2.3 Operating expenditure	12 Months Consolidated 2016	8 Months Consolidated 2015
	<i>\$'000</i>	<i>\$'000</i>
Raw material and consumables used	48,689	29,003
Employee benefit expense	61,589	36,225
Subcontractor cost	6,433	4,013
Depreciation and amortisation	7,334	3,751
Transportation and logistics	7,857	4,821
Operating lease payments	6,832	3,955
Advertising	2,123	618
IPO expenses	-	4,030
Other expenses	17,056	11,506
Total cost of sales, distribution and glazing related expenses, selling and marketing expenses, and administration expenses	157,913	97,922
	12 Months Consolidated 2016	8 Months Consolidated 2015
	<i>\$'000</i>	<i>\$'000</i>
Audit and review of financial statements		
Audit and review of financial statements - PwC	206	215
Other services performed by PwC		
Tax compliance and advice	11	32
IPO investment statement and prospectus assurance services	-	793
Executive reward services	50	-
	267	1,040

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2.4 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit after tax of the Group by

the weighted average number of ordinary shares outstanding during the period.

	12 Months Consolidated 2016	8 Months Consolidated 2015
	\$'000	\$'000
Profit after tax (\$'000)	20,495	9,559
Weighted average number of ordinary shares outstanding ('000s)	185,030	180,315
Basic Earnings per share (cents per share)	11.1	5.3

Diluted

Diluted Earnings per share is calculated by adjusting the weighted average

number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	12 Months Consolidated 2016	8 Months Consolidated 2015
	\$'000	\$'000
Weighted average number of ordinary shares outstanding ('000s)	185,030	180,315
Adjusted for share options ('000s)	311	4,715
Weighted average number of ordinary shares for diluted earnings per share ('000s)	185,852	185,030
Diluted Earnings per share (cents per share)	11.1	5.2

3. WORKING CAPITAL

3.1 Trade and other receivables

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Trade receivables	27,512	26,897
Provision for doubtful trade receivables	(1,654)	(2,294)
	25,858	24,603

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(a) Bad and doubtful trade receivables

The Group extends credit to its customers based on an assessment of credit worthiness. Terms differ by customer and may extend to 60 days past invoice date. A portion of

the Group's receivables are also subject to contractual retentions which can last up to and exceed 12 months. At balance date, a portion of trade receivables are past due as defined by the applicable credit terms.

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
The aging profile of debtors follows:		
Current	18,606	16,484
30 - 59 days	3,448	4,168
60 - 89 days	611	1,392
90 days and later	4,847	4,853
	27,512	26,897

The aging profile above does not necessarily reflect whether an amount is past due and impaired as customer credit terms vary and

a significant amount of the aged receivable is subject to contractual retentions.

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Movements in the provision for impairment of receivables are as follows:		
Opening balance	2,294	-
Acquisition of subsidiary	-	2,229
Provision for impairment recognised/(released) during the year	169	639
Receivables written off during the year as uncollectible	(809)	(574)
	1,654	2,294

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Amounts are generally written off when there is no expectation of recovering additional cash or other consideration.

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
The aging profile of debtors 'past due but not impaired' is as follows:		
Current	-	-
30 - 59 days	-	-
60 - 89 days	478	1,392
90 days and later	3,326	2,559
	3,804	3,951

Estimates and judgements:

Allowance for doubtful debts

Receivables are reduced by an allowance for amounts that may become uncollectible in the future. Collections and payments from our customers are continuously monitored and a provision for doubtful debts is maintained based upon our historical experience and any specific customer collection issues that we have identified.

Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for estimated uncollectable amounts.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'Administration expenses'. Individual debtor accounts are reviewed for impairment and a provision is raised based on management's best estimate of recoverability.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions and is managed at Group level.

3.2 Inventories

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Raw materials, primarily flat glass stock-sheets	15,308	10,011
Work in progress	2,347	1,420
	17,655	11,431

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to \$53m.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Accounting policy

Raw materials and stock, 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.

3.3 Trade and other payables

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Trade accounts payable	15,071	10,907
Employee entitlements	3,856	3,940
Goods and services tax payable	1,032	718
Other interest accruals	396	231
Management incentive accrual	1,188	974
	21,543	16,770

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The carrying amount represents fair value due to their short term nature.

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.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and lieu leave are recognised in 'Trade and other payables' in respect of employees' services up to the reporting date and are measured at the

The Group recognises a liability and an expense for bonuses on a formula that takes into consideration the profit attributable to the Group's shareholders. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3.4 Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management is carried out by a central finance function (the head office finance team) under policies approved by the board of directors. The head office finance team focuses on the unpredictability of financial markets and identifies, evaluates and seeks to hedge financial risks in close co-operation with the Group's operating units to minimise potential adverse effects on the financial performance of the Group.

The board approves policies covering foreign exchange risk, interest rate risk and credit risk. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods including sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk to measure risk.

Derivatives

The Group holds derivative financial instruments to hedge its foreign currency. The Group has designated forward exchange contracts as cash flow hedge instruments.

Cash flow hedges - forward exchange contracts and interest rate swaps

Cash flow hedge instruments hedge the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and (ii) could affect profit or loss.

The fair value of financial instruments traded in active markets by the Group is based on the current bid price and for financial liabilities is the current ask price.

At 31 March 2016 all financial instruments measured at fair value (interest rate swaps and forward exchange contracts) were valued using valuation techniques where all significant inputs were based on observable market data. Accordingly they are categorised as level 2.

Specific valuation techniques used to value the Group's financial instruments are as follows:

- 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.
- The fair value of interest rate swap contracts is determined using forward interest rates at the balance sheet date, with the resulting value discounted back to present value.

These fair values are based on valuations provided by the ANZ Banking Group as at 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Financial Instruments by category

	Notes	CONSOLIDATED		
		Loans and receivables	Derivatives used for hedging	Total
		\$'000	\$'000	\$'000
Assets as per statement of financial position				
31 March 2016				
Cash and cash equivalents		6,404	-	6,404
Derivatives - foreign exchange contracts		-	-	-
Derivatives - interest rate swaps		-	-	-
Trade and other receivables		25,858	-	25,858
Balance at 31 March 2016		32,262	-	32,262
31 March 2015				
Cash and cash equivalents		7,609	-	7,609
Derivatives - foreign exchange contracts		-	1,068	1,068
Trade and other receivables		24,603	-	24,603
Balance at 31 March 2015		32,212	1,068	33,280
Liabilities as per statement of financial position				
31 March 2016				
Trade and other payables excluding non-financial liabilities		20,008	-	20,008
Derivatives - foreign exchange contracts		-	1,575	1,575
Derivatives - interest rate swaps		-	1,300	1,300
Interest bearing liabilities		50,000	-	50,000
Balance at 31 March 2016		70,008	2,875	72,883
31 March 2015				
Trade and other payables excluding non-financial liabilities		11,138	-	11,138
Derivatives - interest rate swaps		-	715	715
Interest bearing liabilities		55,000	-	55,000
Balance at 31 March 2015		66,138	715	66,853

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Accounting policy

On initial designation of a derivative as a cash flow hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction. Documentation includes the nature of the risk being hedged, together with the methods that will be used to assess the hedging instrument's effectiveness. The Group also documents its assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in cash flows of the respective hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and presented in

the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss section of the statement of comprehensive income.

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and purchases of recognised assets are denominated in a currency that is not NZD which is the company's functional currency. Approximately 95% of annual flat sheet glass raw materials are purchased in foreign currencies, being United States Dollar (USD), Euro (EUR) and Australian Dollar (AUD). In accordance with the Company Treasury policy, foreign exchange risk is managed prospectively out over a period of 12 months with allowable limits of coverage up to 100% over the 12 month term. Where deemed acceptable by the directors, coverage can be extended out over a longer period.

Exposure to foreign exchange risk

Exposure to foreign exchange risk		Consolidated		
		AUD	USD	EUR
	Notes	NZ\$'000	NZ\$'000	NZ\$'000
31 March 2016				
Cash and cash equivalents	64	-	-	-
Trade receivables	21	-	-	-
Trade accounts payable	(137)	(3,181)	(985)	
Balance at 31 March 2016	(52)	(3,181)	(985)	
31 March 2015				
Cash and cash equivalents	27	1	-	-
Trade receivables	36	-	-	-
Trade accounts payable	(56)	(681)	(181)	
Balance at 31 March 2015	7	(680)	(181)	

Cash flow hedge reserve movement shown in the statement of comprehensive income reflects the tax affected change in fair

value of forward foreign exchange currency contracts during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Sensitivity analysis

The following table details the Group's sensitivity to a 10% strengthening/weakening of the New Zealand dollar (NZD) against the following currencies at the reporting date. The table shows the (decrease)/increase in

profit or loss and equity as a result of the 10% movements. The analysis assumes that all other variables, in particular interest rates, remain constant. The same basis has been applied for all periods presented.

	Consolidated 2016	Consolidated 2015
	<i>NZ\$'000</i>	<i>NZ\$'000</i>
Profit or loss		
10% strengthening of the NZD against:		
AUD	5	(1)
USD	289	62
EUR	90	17
10% weakening of the NZD against:		
AUD	(6)	1
USD	(353)	(76)
EUR	(109)	(20)
	Consolidated 2016	Consolidated 2015
	<i>NZ\$'000</i>	<i>NZ\$'000</i>
Equity		
10% strengthening of the NZD against:		
USD	(3,168)	(2,305)
EUR	(613)	(242)
10% weakening of the NZD against:		
USD	3,872	2,817
EUR	750	295

Profit or loss movements are mainly attributable to the exposure outstanding on USD trade payables at the end of the reporting period. Equity movements are the result of changes in fair value of derivative instruments designated as hedging instruments in cash flow hedges.

Commodity cost risk

The primary raw material used by the Group is flat glass which is imported from

suppliers around the world. While there are numerous manufacturers of flat sheet glass, the Group is exposed to commodity price risk and therefore manages access to supply through close relationships with suppliers. Cost is an important variable in the determination of supply, and the Group is clearly exposed to changes in the cost of glass.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. LONG TERM ASSETS

4.1 Property, plant and equipment

	Notes	CONSOLIDATED 2016			
		Plant & equipment	Furniture, fittings & equipment	Motor Vehicles	Total
		\$'000	\$'000	\$'000	\$'000
Opening balance					
Cost		38,411	1,676	6,041	46,128
Accumulated depreciation		(1,880)	(189)	(563)	(2,632)
Net book value at 1 April 2015		36,531	1,487	5,478	43,496
Additions		7,332	434	1,967	9,733
Disposals		-	(7)	(49)	(56)
Depreciation expense		(3,700)	(423)	(1,053)	(5,176)
Closing net book value at 31 March 2016		40,163	1,491	6,343	47,997
Represented by:					
Cost		46,864	2,193	8,058	57,115
Accumulated depreciation		(6,701)	(702)	(1,715)	(9,118)
Net book value at 31 March 2016		40,163	1,491	6,343	47,997

	Notes	CONSOLIDATED 2015			
		Plant & equipment	Furniture, fittings & equipment	Motor Vehicles	Total
		\$'000	\$'000	\$'000	\$'000
Opening balance at 30 May 2014					
Cost		-	-	-	-
Accumulated depreciation		-	-	-	-
Net book value at 30 May 2014		-	-	-	-
Acquired upon group reorganisation		21,939	877	5,457	28,273
Additions		16,472	799	584	17,855
Disposals		-	-	-	-
Depreciation expense		(1,880)	(189)	(563)	(2,632)
Closing net book value at 31 March 2015		36,531	1,487	5,478	43,496
Represented by:					
Cost		38,411	1,676	6,041	46,128
Accumulated depreciation		(1,880)	(189)	(563)	(2,632)
Net book value at 31 March 2015		36,531	1,487	5,478	43,496

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Estimates and judgements: Economic lives of intangible assets and property, plant and equipment

Property, plant and equipment are long-lived assets that are amortised/depreciated over their useful lives.

Accounting policy

All property, plant and equipment is stated at historical cost less depreciation and

impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation of property, plant and equipment is calculated using the straight line value method to allocate the cost of the assets over their useful lives. The rates are as follows:

Category	Depreciation rate	Depreciation basis
Leasehold improvements	7.5-15%	SL
Plant & equipment	7.5-15%	SL
Motor vehicles	12-20%	SL
Furniture, fixtures and fittings	20-25%	SL

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

Capital work in progress is not depreciated until commissioned.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4.2 Intangible assets

	Notes	CONSOLIDATED 2016			
		Customer relationships	Goodwill on acquisitions	Computer software	Total
		\$'000	\$'000	\$'000	\$'000
Opening balance					
Cost		10,875	115,489	2,900	129,264
Accumulated amortisation		(967)	-	(152)	(1,119)
Net book value at 1 April 2015		9,908	115,489	2,748	128,145
Additions		-	900	945	1,845
Disposals		-	-	(2)	(2)
Amortisation expense		(1,450)	-	(794)	(2,244)
Closing net book value at 31 March 2016		8,458	116,389	2,896	127,743
Represented by:					
Cost		10,875	116,389	3,868	131,132
Accumulated amortisation		(2,417)	-	(972)	(3,389)
Net book value at 31 March 2016		8,458	116,389	2,896	127,743

	Notes	CONSOLIDATED 2015			
		Customer relationships	Goodwill on acquisitions	Computer software	Total
		\$'000	\$'000	\$'000	\$'000
Opening balance at 30 May 2014					
Cost		-	-	-	-
Accumulated amortisation		-	-	-	-
Net book value at 30 May 2014		0	0	0	0
Acquired upon group reorganisation		10,875	115,489	285	126,649
Additions		-	-	2,615	2,615
Amortisation expense		(967)	-	(152)	(1,119)
Closing net book value at 31 March 2015		9,908	115,489	2,748	128,145
Represented by:					
Cost		10,875	115,489	2,900	129,264
Accumulated amortisation		(967)	-	(152)	(1,119)
Net book value at 31 March 2015		9,908	115,489	2,748	128,145

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Estimates and judgements: Goodwill

The Group tests not less than annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Impairment tests for goodwill

On acquisition goodwill was allocated to three cash generating units being upper North Island, lower North Island and the South Island. Goodwill is allocated as follows:

	Consolidated 2016	Consolidated 2015
Upper North Island	49,429	49,429
Lower North Island	23,445	23,445
South Island	43,515	42,615
	116,389	115,489

This calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the

five-year period are extrapolated using estimated long term growth rates. Key assumptions used based on management's knowledge of the market are as follows:

	Consolidated 2016	Consolidated 2015
Compound annual volume growth - 5 years	4.0%	10.0%
Long term growth rate	2.2%	2.5%
Discount rate	9.5%	10.0%

Sensitivity analyses performed by management indicate no impairment through reasonable changes to the above assumptions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Accounting policy

Goodwill

Goodwill represents the excess of the consideration paid for 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. Any goodwill arising on acquisitions of subsidiaries is included in intangible assets. 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.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units that is expected to benefit from the synergies of the combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group are recognised as intangible assets when management intends to use the software and it will generate probable future economic benefits.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation of computer software is calculated on a straight line basis over a useful life of 4 years.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations acquired are estimated to have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated on a straight-line method over the expected life, being 10 years, of the customer relationship.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. DEBT & EQUITY

5.1 Interest bearing liabilities

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Bank Borrowings	50,000	55,000
	50,000	55,000

Bank borrowings are secured by the property, plant and equipment of the Group. The Group's bank borrowing facilities comprise a \$60m term loan facility and a \$15m cash drawdown facility, both of which are due for repayment on 29 July 2017 and bear a variable interest rate which is currently 3.65% per annum. The Group complied with all covenants throughout the year.

(a) Assets pledged as security

The bank loans are secured under both a General Security Deed and Specific Security Deed which results in registered charges over assets of the Group. In addition there are positive and negative pledge undertakings by the Company.

(b) Fair value

The carrying value of the Group's bank borrowings also represents the fair value of the borrowings due to management's assessment that the interest rates approximate the market interest rate for a commercial loan of a comparable lending period.

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is expensed in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings 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.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

In addition to cash reserves, the Group has negotiated a multi-option credit facility with its banking partners. As at 31 March 2016 the Group had cash of \$6.4 million. Information in respect of negotiated credit facilities is shown below.

	Consolidated 2016	Consolidated 2015
Committed credit facilities pursuant to the multi-option facility	75,000	75,000
Drawdown at balance date	(54,540)	(59,841)
Available credit facilities	20,460	15,159

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The table below analyses both of the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance

sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of cash flows.

	Notes	CONSOLIDATED				Total
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	
		\$'000	\$'000	\$'000	\$'000	\$'000
Bank borrowings and interest owing	396	50,000	-	-	-	50,396
Interest rate swap	389	911	-	-	-	1,300
Foreign exchange contracts	1,538	37	-	-	-	1,575
Trade accounts payable	15,071	-	-	-	-	15,071
Total at 31 March 2016		17,394	50,948	-	-	68,342
Bank borrowings and interest owing	3,002	2,771	55,924	-	-	61,697
Interest rate swap	223	215	277	-	-	715
Trade accounts payable	10,907	-	-	-	-	10,907
Total at 31 March 2015		14,132	2,986	56,201	-	73,319

Interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are not substantially impacted by changes in market interest rates on interest bearing financial assets.

expose the Group to cash flow interest rate risk. During the period the Group's borrowings at variable rates were denominated in New Zealand dollars.

Cash flow risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates

The Group adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis by entering into interest rate swaps.

5.2 Contributed equity

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Opening balance	302,746	-
Issue of share capital - Initial public offering	-	244,236
Issue of share capital - Acquisition of Metroglass Holdings Limited	-	62,300
IPO expenses included in contributed equity	-	(7,045)
Contributions to shares issued to key management employees	-	2,750
Share based payments reserve transferred to equity	897	505
Payments received on management incentive plan shares	944	-
Closing balance	304,587	302,746

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

On 29 July 2014, Metro Performance Glass Limited received gross proceeds of \$244.2 million from the allotment of 143,668,486 ordinary shares at an issue price of \$1.70 per share, offered under the Investment Statement and Prospectus dated 7 July 2014 (amended 15 July 2014) for the Initial Public Offering (IPO) of ordinary shares in Metro Performance Glass Limited. Additionally 36,646,730 ordinary shares were issued in exchange for 113,811,147 shares in Metroglass Holdings Limited at an issue price of \$1.70 per share. As part of the then long term incentive plan 4,714,784 ordinary shares were issued with no value in contributed equity until they vested on 29 July 2015.

At balance date, there were 185,030,000 ordinary shares outstanding.

Additional movements to contributed equity include a decrease of \$7.0 million from IPO expenses and an increase of \$3.3 million from contributions to shares issued to key management employees of cash and share based payments reserves.

Payments received on management incentive plan shares relates to net proceeds received on the sale of shares forfeited by a key management employee on leaving the business.

Long Term Incentive Plan

The Group currently has a long term incentive plan for selected employees. The plan participants for the current financial year are part of the company's senior management.

The plan is designed to secure those employees' retention in Metro Glass and to reward performance that underpins the achievement of Metro Glass' business strategy and long term shareholder wealth creation. Participants are offered an annual award of a specified number of both performance rights and share options in Metro Glass (in accordance with the plan rules).

The performance rights enable participants to acquire shares in Metro Glass with no consideration payable, subject to Metro Glass achieving set performance hurdles and meeting certain vesting conditions.

The share options enable participants to acquire shares in Metro Glass at a market based exercise price, subject to Metro Glass achieving set performance hurdles and meeting certain vesting conditions.

In the event that the respective performance hurdles are not met on the measurement date, retesting will be permitted after a further six and twelve months.

A total of 822,159 share options with an exercise price of \$1.60 and 120,791 performance share rights have been issued under the initial grants pursuant to the plan.

Accounting policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or acquiring its own shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Dividend distribution to the Group shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the Board.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

CAPITAL RISK MANAGEMENT

The Group and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. The Group gearing ratio at 31 March 2016 was as follows:

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Bank borrowings	50,000	55,000
Less: cash and cash equivalents	6,404	7,609
Net debt	43,596	47,391
Equity	148,634	142,679
Gearing ratio	22.7%	24.9%

6. OTHER

6.1 Income taxation

	12 Months Consolidated 2016	8 Months Consolidated 2015
	\$'000	\$'000
Profit before income taxation	26,954	14,986
Income taxation expense at the rate of 28%	7,547	4,196
Tax effect of non-deductible items	149	1,231
Non assessable income	(2)	-
Prior year adjustment	(1,237)	-
Income taxation expense	6,459	5,427
Represented by:		
Current taxation	5,274	4,675
Deferred taxation	1,185	752
	6,459	5,427

The prior year adjustment relates to a difference in the income tax return for the period ending 31 March 2015 regarding the treatment of IPO expenses and lease incentives.

Imputation Credit Account

The amount of imputation credits at balance date available for future distributions is \$2.8m at March 2016, \$4.6m at March 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6.2 Deferred taxation

Consolidated deferred tax assets and liabilities are attributable to the following:

	CONSOLIDATED 2016		
	Assets	Liabilities	Total
	\$'000	\$'000	\$'000
Property, plant & equipment	-	(388)	(388)
Inventory and receivables	84	-	84
Cash flow hedge	805	-	805
Intangibles	-	(2,610)	(2,610)
Provisions and accruals	1,826	-	1,826
	2,715	(2,998)	(283)

	CONSOLIDATED 2015		
	Assets	Liabilities	Total
	\$'000	\$'000	\$'000
Property, plant & equipment	154	-	154
Inventory and receivables	1,060	-	1,060
Cash flow hedge	-	(99)	(99)
Intangibles	-	(2,821)	(2,821)
Provisions and accruals	1,705	-	1,705
	2,919	(2,920)	(1)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Movement in temporary differences during the year:

CONSOLIDATED 2016					
	Opening Balance	Arising on acquisition	Recognised in profit or loss	Recognised in OCI	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	154	-	(542)	-	(388)
Inventory and receivables	1,060	-	(976)	-	84
Cash flow hedge	(99)	-	-	904	805
Intangibles	(2,821)	-	211	-	(2,610)
Provisions and accruals	1,705	-	121	-	1,826
	(1)	-	(1,186)	904	(283)

CONSOLIDATED 2015					
	Opening Balance	Arising on acquisition	Recognised in profit or loss	Recognised in OCI	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	-	832	(678)	-	154
Inventory and receivables	-	1,123	(63)	-	1,060
Cash flow hedge	-	337	-	(436)	(99)
Intangibles	-	(3,041)	220	-	(2,821)
Provisions and accruals	-	1,936	(231)	-	1,705
	-	1,187	(752)	(436)	(1)

Accounting policy

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right

to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

6.3 RESERVES

Reorganisation Reserve

Upon acquisition of Metroglass Holdings Limited, the assets and liabilities acquired were measured at their pre-combination carrying amounts without fair value uplift. The difference between the consideration transferred and the carrying value of the assets and liabilities acquired was recorded in the group reorganisation reserve.

Accounting policy

Where an acquisition occurs through group reorganisation, the identifiable assets and liabilities acquired are measured at their pre-combination carrying amounts without fair value uplift. No new goodwill is recorded. Any difference between the consideration transferred and the carrying value of the assets and liabilities acquired is recorded in equity.

Share Based Payment Reserve

The Group currently has a long term incentive plan for selected employees. The reserve is used to record the accumulated value of the plan which has been recognised in the statement of comprehensive income.

Accounting policy

The long term incentive plan is an equity settled share based payment which provides eligible employees with the opportunity to acquire shares in the Group. The fair value of shares granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period. The fair value of the plan has been assessed by an independent valuer.

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Share based Payments reserve		
Balance at beginning of period	785	-
Acquisition of subsidiary	-	1,062
Transfer to equity on group reorganisation	-	(505)
Transfer to capital	(897)	-
Movement in share based payments reserve	162	228
Closing Balance	50	785

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6.4 RELATED PARTY TRANSACTIONS

(a) Directors

The names of persons who were directors of the Company at any time during the financial period are as follows: Sir John Goulter, Michael Alscher, Russell Chenu, Nigel Rigby, Willem Roest, and Gordon Buswell.

Gordon Buswell was appointed on 6 October 2015. Michael Baster was

appointed as an alternate director to Michael Alscher on 24 February 2016.

Key management and Board of Directors compensation

Key management are members of the Senior Leadership Team. The compensation paid or payable to key management for employee service is shown below:

	12 months Consolidated 2016	8 months Consolidated 2015
	\$'000	\$'000
Salaries and other short-term employee benefits	2,010	1,193
Management incentive	-	180
Share based payments	162	228
	2,172	1,601

BOARD OF DIRECTORS' COMPENSATION

	12 months Consolidated 2016	8 months Consolidated 2015
	\$'000	\$'000
Directors fees	469	307
	469	307

6.5 CONTINGENCIES

As at 31 March 2016 the Group had no contingent liabilities or assets.

6.6 COMMITMENTS

Lease commitments: as lessee

Operating leases

The Group leases premises, plant and equipment.

The lease terms for operating leases held over property are between 3 and 15 years, and give the Group the right to renew the leases subject to a mutual redetermination of the lease rental by the lessee and lessor based on an independent third party market rent review. There are no options to purchase in respect of plant and equipment held under operating leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Consolidated 2016	Consolidated 2015
	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	5,989	5,961
One to two years	5,042	5,430
Two to five years	14,321	13,525
Beyond five years	24,299	28,178
Commitments not recognised in the financial statements	49,651	53,094

Accounting policy

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 expensed on a straight-line basis over the period of the lease.



Independent Auditors' Report to the shareholders of Metro Performance Glass Limited

Report on the Financial Statements

We have audited the Group financial statements of Metro Performance Glass Limited ("the Company") on pages 19 to 50, which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period 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 Financial Statements

The Directors are responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

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

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

Other than in our capacity as auditors and providers of assurance, taxation and advisory services, we have no relationship with, or interests in, the Group. These services have not impaired our independence as auditors of the Group.



Independent Auditors' Report

Metro Performance Glass Limited

Opinion

In our opinion, the financial statements on pages 19 to 50 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 period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

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.

A handwritten signature in blue ink, reading 'Priya Waterhouse-Copps'.

Chartered Accountants
26 May 2016

Auckland



CORPORATE GOVERNANCE AND STATUTORY INFORMATION



CORPORATE GOVERNANCE

The Board and the Senior Management Team of Metro Performance Glass (Metro Glass, the Company) recognise the importance of good corporate governance and consider it is core to ensuring the creation, protection and enhancement of shareholder value. Together they are committed to ensuring that the Company applies and adheres to practices and principles that ensure good governance and that the highest ethical standards are maintained to protect the interests of shareholders and all stakeholders.

The Board recognises the need for the highest standards of corporate behaviour and accountability. The Board is committed to optimizing shareholder returns within a framework of ethical business practices.

For the reporting period to 31 March 2016, the Company considers its corporate governance practices and policies comply with the NZX Corporate Governance Best Practice Code and the New Zealand Financial Markets Authority Corporate Governance in New Zealand – Principles and Guidelines.

This statement reflects a summary of the Company's corporate governance framework, policies and procedures that have been in place since the Company's listing on the NZX and ASX on 29 July 2014.

The following corporate governance documents are referred to in this Statement and are available on the Corporate Governance page of the Company's website:

<http://www.metroglass.co.nz/investor-centre/governance/>

- + Constitution
- + Board Charter
- + Audit and Risk Committee Charter
- + Market Disclosure Policy
- + Code of Ethics
- + Share Trading Policy

Metro Glass and its operating divisions and subsidiaries are referred to in this Statement as the Company or Group.





CORPORATE GOVERNANCE (CONT'D)

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT BY BOARD

The Board:

The Board has ultimate responsibility for the strategic direction of Metro Glass and for overseeing Metro Glass' management for the benefit of its shareholders. The Board's responsibilities include setting and overseeing the execution of the Company's strategy, and overseeing management in the operation of Metro Glass' business.

The Board has adopted a Board Charter (the Charter) recording its commitment to best corporate governance practices. The Charter describes the specific responsibilities, values, principles and practices that underpin the role of Directors on the Board. The Charter does not attempt to provide a complete record of all of the formal and informal rules associated with the role of the Board and should be read in conjunction with the Constitution and relevant laws, regulations, codes and guidelines. The Charter is available on the Corporate Governance page of the Company's website.

In performing its responsibilities, the Board should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by Metro Glass' constitution and by law.

Board Committees:

The Board has established an Audit and Risk Management Committee (the Audit and Risk Committee). The role and responsibilities are outlined in the Audit and Risk Committee's Charter. The Board has elected not to establish a separate Nominations or Remuneration subcommittees at this time. The Board itself attends to matters relating to Director nominations and remuneration thereof.

Delegations:

The Board Charter describes the Board's role and responsibilities and Board procedures.

The Board has delegated some of its powers to committees and to the CEO. This framework also establishes the authority levels for decision making within the management team.

Executive Team Evaluation:

Formal performance reviews are conducted for all staff on an annual basis. The Executive Team's performance reviews for the financial year ended 31 March 2016 have been conducted. The evaluation is based on role descriptions and agreed key performance metrics.

The CEO reviews the performance of the Senior Executives and provides feedback to the Board including making recommendations regarding payment of short term performance incentives. A similar process is followed by the Board for evaluating the CEO's performance.

Induction:

New Directors are appropriately introduced to management and the business so that all Directors are acquainted with relevant industry knowledge and receive copies of appropriate Company documents to enable them to perform their role. This induction covers topics such as: the Company's financial position, strategies, operations and risk management policies. It also covers the responsibilities of key people, policies and procedures, as well as the respective rights, duties, responsibilities and roles of the Board, individual Directors and senior executives.

All new managers will receive an induction programme based on similar elements including health and safety training but without financial documents or other sensitive information that is not relevant to their role.

All other employees undertake training that covers Company policies, health and safety, ethics and other operational matters.

CORPORATE GOVERNANCE (CONT'D)

STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board:

Metro Glass' Constitution provides for a minimum of four Directors and subject to this limitation the number of Directors to hold office shall be fixed from time to time by the Board. The Charter contains requirements relating to New Zealand residency and the number of independent Directors.

At 31 March 2016 the Board comprised of six Directors plus one alternate Director:

- + Sir John Goulter (Chairman)
- + Nigel Rigby (Chief Executive)
- + Michael Alscher
- + Gordon Buswell
- + Russell Chenu (Chairman of Audit and Risk Committee)
- + Bill Roest
- + Michael Baster (Alternate Director)

Gordon Buswell was appointed as a Director on 6 October 2015. Michael Baster was appointed as an alternate Director for Michael Alscher on 24 February 2016.

The Directors bring a wide range of skills to the Board including corporate strategy, business and financial management nationally and internationally, sales and marketing, mergers and acquisition, capital markets and corporate governance.

Selection and Role of Chairman:

The Constitution provides that one of the Directors may be appointed as Chair of the Company and the Directors will determine the period for which the chairperson is to hold office. Sir John Goulter, an independent Director, has been appointed Chairman.

Director Independence:

Directors are considered to be independent if they are non-executive and do not have an interest or relationship that could or could be perceived to unreasonably influence their decisions relating to the Company or interfere with their ability to act in the Company's best interests. Disqualifying relationships are defined in the Charter. The Board will review any determination it makes as to a Director's independence on becoming aware of any information that may have an impact on the independence of the Director. For this purpose, Directors are required to ensure that they immediately advise the Board of any relevant new or changed relationships to enable the Board to consider and determine the materiality of the relationships.

As at 31 March 2016, four of the seven Directors, Sir John Goulter, Gordon Buswell, Russell Chenu and Bill Roest, are considered by the Board to be Independent Directors in accordance with the NZX listing rules. Michael Alscher and Michael Baster are employees of Crescent Capital which is a substantial shareholder in the Company, and Nigel Rigby, the Company's CEO, are each not considered by the Board to be Independent Directors.

Conflicts of Interest:

The Board Charter outlines the Board's policy on conflicts of interest. Where conflicts of interest arise, Directors must ensure that the nature of the conflict is adequately disclosed and excuse themselves from discussions in respect of the relevant matter and, in accordance with the NZX listing rules, not exercise their right to vote in respect of such matters.

CORPORATE GOVERNANCE (CONT'D)

Director Appointments:

The provisions regarding the election and retirement of Directors are contained in the Constitution. The Board will review from time to time the composition of the Board and will identify and evaluate suitable individuals for appointment as a Director as and when an appointment is to be made. In evaluating a candidate for appointment as a Director, the Board will consider criteria including the particular skill sets identified by the Board as being required at the time as well as the individual's experience, professional qualifications, ability to exercise sound business judgment, integrity and moral reputation, any potential conflicts of interest or legal impediments to serving as a Director, and their willingness and availability to commit the time required to serve as an effective Director of the Company. Background checks will be conducted. Given the current size of the Board, there is presently no need for a Nominations Committee as the full Board acts in this capacity.

An individual being appointed as an independent Director must be independent according to NZX definitions and not have any disqualifying relationships as defined in the Board Charter.

The Company's Constitution and NZX and ASX listing rules require a newly appointed Director to stand for election at the next Annual Shareholders Meeting (ASM). Sir John Goulter and Michael Alschér were elected as Directors of Metro Performance Glass Limited at the Company's Annual Shareholders' Meeting on 26 August 2015.

New Directors provide the Company with a written consent to act as a Director and receive a formal Letter of Appointment

that sets out the Terms and Conditions of Appointment and Remuneration Schedule. It also sets out the expectations of the Company, the Director's duties, responsibilities and powers, insurance and indemnity arrangements, and rights of access to information.

All new Board members are provided with an extensive briefing on the Company and industry related matters within thorough induction process.

Retirement and Re-Election:

Assuming no new Directors are appointed in the interim, the Directors who will stand for re-election at the 2016 Annual Shareholders Meeting will be Gordon Buswell and Russell Chenu. Profiles are contained in the Notice of Meeting which will be mailed to shareholders and will also be available on the Investors section of the Company's website.

Director Remuneration:

Non-executive Directors are paid a fixed fee in accordance with the determination of the Board. Full disclosure of Director remuneration is included in the statutory information section of this Annual Report.

External Advice:

An individual Director or a committee may, with the approval of the chairperson of the Board, retain and consult with external advisers (including legal) at Metro Glass' expense where the committee or individual deems it necessary to carry out its, his or her functions.

CORPORATE GOVERNANCE (CONT'D)

Board, Committee and Director Evaluation:

In accordance with the Board and Audit & Risk Committee Charters, the Board annually reviews its performance, policies and practices and reviews the performance of its Committees and each Director. This review is carried out both formally and informally. The Board was constituted in its current form in July 2014 ahead of the NZX Main Board and ASX listing and undertook its first Performance Evaluation in 2015. The performance of the Audit and Risk Committee is assessed annually against its Charter and other relevant criteria as determined by the Board. The first assessment was carried out in the last quarter of the 2016 financial year.

Director Education:

The Company encourages Directors to continue to develop their knowledge and skills as a Director. With the prior approval from the Chairman, Directors may attend appropriate courses or seminars for continuing education at the Company's cost.

Director Share Ownership:

There is no requirement for Directors to own shares in the Company or to reinvest a portion of Director remuneration in Company shares. However, non-executive Directors are encouraged to own shares. All Directors and employees are required to comply with the Company's Securities Trading policy in undertaking any trading in the Company's shares. The table of Directors' shareholdings is included in the Disclosures section of this Annual Report.

Indemnities and Insurance:

In accordance with Section 162 of the Companies Act 1993 and the Company's Constitution, the

Company indemnifies Directors in relation to potential liabilities and costs they may incur for acts or omissions in their capacity as Directors. The Directors' and Officers' Liability Insurance covers risks normally covered by such policies arising out of acts or omissions of Directors and employees in their capacity as such. Details are recorded in the interests register.

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Ethics:

The Company has a Code of Ethics that establishes a framework of standards by which the Directors, employees, contractors and advisors of Metro Glass and its related companies are expected to carry out their responsibilities.

It is not an exhaustive list of acceptable behaviour; rather it facilitates decision making that is consistent with Metro Glass' values, business goals and legal and policy obligations. Metro Glass Directors and managers are committed to leading in accordance with these standards of ethical and professional conduct and ensuring that such standards are communicated to the people who report to them.

The Company's Code of Ethics is available from the Corporate Governance page of the Company's website.

Diversity:

The Board has not, at this stage, adopted a Diversity Policy. It intends to conduct an overall review of Metro Glass' diversity practices and statistics prior to adopting any Diversity Policy.



CORPORATE GOVERNANCE (CONT'D)

Share Trading:

The Company's Share Trading Policy governs trading in the Company's securities by:

- + all Directors
- + all Officers
- + all members of the Senior Leadership Team (SLT)
- + any employee who reports directly to a member of the SLT
- + any employee who reports to the Group Financial Controller
- + any employee who the CEO deems this policy should apply to

The Policy complies with the NZX and ASX Listing Rules. A copy is available from the Corporate Governance page of the Company's website.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit and Risk Management Committee:

The Board has an Audit and Risk Committee that has been established to:

- (a) assist the Board in fulfilling its responsibilities for Metro Glass' financial statements and external financial reporting;
- (b) assist the Board in ensuring that the ability and independence of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired; and
- (c) assist the Board in ensuring appropriate accounting policies and internal controls are established and maintained and assist the Board in ensuring the effective and efficient management of all business risks.

The Audit and Risk Committee's Charter is available from the Corporate Governance page of the Company's website.

Membership:

The Audit and Risk Committee comprises three independent, non-executive Directors: Russell Chenu, Bill Roest and Sir John Goulter. Russell Chenu, the Chairman of the Audit and Risk Committee, is a qualified accountant and is not the Chairman of the Board. Details of the relevant qualifications and experience of all Audit and Risk Committee members are disclosed in their biographies on pages [19] and [20] of this Annual Report.

Other Directors, the CEO and the CFO attend the Audit and Risk Committee meetings by invitation. The relevant partner and staff of Metro Glass' external auditors also attend meetings by invitation on a regular basis.

The Company intends to appoint an outsourced internal auditor. Once appointed the outsourced internal auditor will also attend meetings by invitation on a regular basis.

Meetings:

The Audit and Risk Committee meets at least three times each year and has direct access to Metro Glass' external and internal auditors and senior management. On at least one occasion each year, the Audit and Risk Committee meets with the external and internal auditors without management present.

CORPORATE GOVERNANCE (CONT'D)

MAKE TIMELY AND BALANCED DISCLOSURE

Metro Glass is subject to the disclosure and reporting obligations imposed under the Listing Rules of NZX, ASX, the Companies Act and other relevant legislation. The Board has adopted a Market Disclosure Policy, available from the Corporate Governance page of the Company's website, which sets out how the Company will comply with the required disclosure and reporting obligations. Metro Glass is committed to its obligation to inform shareholders (both current and prospective) and market participants of all information that might have a material effect on the price of its shares. The Company keeps stakeholders informed by lodging announcements issued to NZX and ASX on the Investor Section of its website.

Disclosure Officer:

The Board has not appointed a Disclosure Officer. However, the CFO or delegate, will co-ordinate the actual form of disclosure of the material Information with the relevant members of management and make the disclosure to the NZX and ASX as required.

Disclosure issues are discussed appropriately with, and proposed releases are approved by the Board. If necessary, external legal advice is obtained.

RESPECT THE RIGHTS OF SHAREHOLDERS

Metro Glass endeavours to keep its shareholders informed of all important developments concerning the Company and encourages them to follow announcements about the Company. Metro Glass communicates with its shareholders using the following means:

- + periodic market announcements, which are released first to NZX and ASX;
- + periodic investor briefings, which are also released first to NZX and ASX;
- + the Annual Report;
- + the Annual Shareholders Meeting and the Notice of Meeting; and
- + the Company's corporate website

Electronic Communications:

Shareholders have the option to receive communications from, and send communications to, the Company and its security registry electronically.

Annual Shareholders' Meeting;

Shareholders have the opportunity to ask questions of the Board and of the external auditors, who attend the Annual Shareholder Meeting. The auditors are available to answer questions from shareholders in relation to the conduct of the audit, the independent audit report and the accounting policies adopted by Metro Glass.

CORPORATE GOVERNANCE (CONT'D)

RECOGNISE AND MANAGE RISK

The identification and effective management of the Company's risks is a priority of the Board. It is responsible for:

- (a) identifying the principal risks of Metro Glass' business;
- (b) reviewing and ratifying Metro Glass' systems of internal compliance and control, risk management and legal compliance, to determine the integrity and effectiveness of those systems; and

(c) approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the NZX, the ASX and other stakeholders.

The Board makes use of the Audit and Risk Committee to ensure that effective risk management systems and internal controls are in place, including the review of material risk exposures and the steps Management has taken to monitor, control and report such exposures.

The Board has made the CEO accountable for all operational and compliance risk across the Group. The CFO has management accountability for the implementation of the risk framework across all of the Company's businesses

Metro Glass' main risks and mitigation plans are reviewed semi-annually by the Audit and Risk Committee and the Board.

As part of its risk management framework Metro Glass continually assesses risks against all relevant areas of material business risk. A number of such risks were noted in the Prospectus issued in July 2014, the majority of which continue to remain relevant. The Prospectus is available in the Investor section of the Company's website. See section 8 of the Investment Statement.

The health and safety of the Company's staff, contractors and customers is of paramount concern to the Board. Accordingly all risk reviews have a component that specifically looks at health and safety risks. To support an improvement in health and safety awareness the Company has appointed a national Health and Safety Manager who reports to the General Manager of Operations. He is also supported by four regional Safety Advisors located at the Company's four major manufacturing facilities. The Company maintains a risk register that is reviewed annually.

REMUNERATE FAIRLY AND RESPONSIBLY

The Board as a whole has responsibility for the activities related to remuneration. All remuneration packages are reviewed at least annually, taking into account individual and Company performance, market movements and independent advice.

The objective of the Company's remuneration policy is to ensure that the remuneration of Directors and all staff properly reflects each person's accountabilities, duties, responsibilities and their level of performance, to ensure that remuneration is competitive in attracting, motivating and retaining staff of the highest calibre.

The CEO's performance is reviewed by the Board. The CEO reviews the performance of the Executive Team and makes recommendations to the Board for approval in relation to the team's remuneration and achievement of key performance indicators (KPIs).

CORPORATE GOVERNANCE (CONT'D)

The Board completed a full review of the compensation structures of the CEO and Senior Management in 2015. The resulting remuneration structure is made up of three elements:

- + A fixed base salary
- + A short term incentive (STI)
- + A long term incentive (LTI)

The long term incentive plan was publicly announced on 7 March 2016 and is made up of both performance share rights and share options. The plan participants for the current financial year are part of the company's senior management. The LTI is designed to secure those employees' retention in Metro Glass and to reward performance that underpins the achievement of Metro Glass' business strategy and long term shareholder wealth creation. The key features of the 2016 LTI plan are as follows:

- + Participants will be offered an annual award of a specified number of both performance rights and share options in Metro Glass (in accordance with the LTI rules)
- + The performance rights will enable participants to acquire shares in Metro Glass with no consideration payable, subject to Metro Glass achieving set performance hurdles and meeting certain vesting conditions
- + The share options enable participants to acquire shares in Metro Glass at a market based exercise price, subject to Metro Glass achieving set performance hurdles and meeting certain vesting conditions

A total of 822,159 share options and 120,791 performance share rights were issued under the initial grants pursuant to the 2016 LTI plan.

Non-executive Directors are paid a fixed fee in accordance with the determination of the Board. The Director fee pool was set at \$600,000 in the 2014 Prospectus. The Chairman of the Board receives \$160,000 per annum. The non-executive Directors receive \$80,000 per annum. The chairman of the Audit and Risk Committee, receives an additional \$20,000 per annum. Other members of the Audit and Risk Committee, receive an additional \$10,000 per annum. Alternate Directors are unpaid. Director remuneration was set at a level advised by an independent Board consultant at the time the Board was being established prior to the July 2014 IPO. The Board reviews its fees on a periodic basis. The Executive Director (CEO) does not receive additional remuneration in his capacity as a Director.

Increases in the Director fee pool must be approved by shareholders at an Annual Shareholder Meeting. The Board does not propose to seek an increase in the pool at the 2016 meeting. No retirement or termination benefits are paid to non-executive Directors however Directors are entitled to be paid for reasonable travel and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with the Metro Glass Group's business. The Company does not offer an equity-based remuneration scheme for Directors.

Given the Board composition the full Board reviews issues relating to remuneration. The Board considers that Director and executive remuneration is appropriate and is not excessive.

STATUTORY INFORMATION

STOCK EXCHANGE LISTING

Our shares are listed on the New Zealand Stock Exchange (NZX) and Australian Stock Exchange (ASX).

Shares on issue as at 1 June 2016:

Register	Security	Holders	Units
New Zealand	MPG (NZL)	1,977	151,317,773
Australia	MPP (AUS)	29	33,712,227
Total	MPG (Dual)	2,006	185,030,000

Securities issued under the 2016 long term incentive plan

2016 Long Term Incentive Scheme	Security	Holders	Units
Performance Share Rights	MPG (NZX)	4	120,791
Share Options	MPG (NZX)	4	822,159

TOP 20 SHAREHOLDERS

Our top 20 shareholders as at 1 June 2016 were as follows:

Rank	Investor Name	Footnote*	Shares at 1 June 2016	% of Shares
1	Tea Custodians Limited	*	17,380,526	9.39%
2	National Nominees New Zealand Limited	*	10,836,721	5.86%
3	HSBC Custody Nominees (Australia) Limited		10,793,891	5.83%
4	New Zealand Superannuation Fund Nominees Limited	*	8,259,109	4.46%
5	Forsyth Barr Custodians Ltd		7,973,745	4.31%
6	FNZ Custodians Limited		7,517,141	4.06%
7	Investment Custodial Services Limited		7,037,404	3.80%
8	Bnp Paribas Noms Pty Ltd		6,825,067	3.69%
9=	Guardian Nominees No 2 Ltd	*	6,216,314	3.36%
9=	Premier Nominees Limited	*	5,964,358	3.22%
11	Crescent Capital Partners Management Pty Ltd	**	5,862,611	3.17%
12	Crescent Capital Partners Management Pty Ltd	***	5,862,611	3.17%
13	Bnp Paribas Nominees NZ Limited	*	5,638,508	3.05%
14	Nigel James Rigby		5,143,401	2.78%
15	J P Morgan Nominees Australia Limited		5,105,728	2.76%
16	Accident Compensation Corporation	*	4,508,505	2.44%
17	JPMORGAN Chase Bank	*	4,175,422	2.26%
18	Citicorp Nominees Pty Limited		3,659,837	1.98%
19	Crescent Capital Partners Iii (Belgium) Bvba		3,569,208	1.93%
20	National Nominees Limited		3,321,671	1.80%
Totals:	Top 20 holders of Ordinary Shares		135,651,778	73.32%
Totals:	Remaining Holders Balance		49,378,222	26.69%

* Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial depository service which allows electronic trading of securities by its members. As at 1 June, 73,770,896 Metro Performance Glass Limited Shares (or 39.9% of the ordinary shares on issue) were held through NZCSD.

* For both New Zealand Superannuation Fund Nominees Limited, and Guardian Nominees No 2 Ltd

** as trustee for Crescent Capital Partners Trust IIIA

*** as trustee for Crescent Capital Partners Trust IIIB



STATUTORY INFORMATION (CONT'D)

SUBSTANTIAL SHAREHOLDERS

A "substantial shareholder" is defined in the Securities Markets Act 1988. Shareholders are required to disclose their holdings to us and to our share registrar by giving a "Substantial Shareholder Notice" when:

- + They begin to have a substantial shareholding (5% or more of our shares).
- + There is a subsequent movement of 1% or more in a substantial holding, or if they cease to be have a substantial holding.
- + There is any change in the nature or interest in a substantial holding.

According to notices given under the Securities Market Act 1988 the following persons were Substantial Shareholders as at 1 June 2016:

	Number of shares	%
Schroder Investment Management (Australia) Limited	15,716,045	8.49%
Crescent Capital Partners Management Pty Limited	15,294,430	8.27%
Harbour Asset Management Limited	13,956,152	7.54%
Salt Funds Management Limited	13,264,667	7.17%
Henderson Global Investors (Australia) Limited	10,234,771	5.53%
Fisher Funds Management Limited	9,934,502	5.37%
ANZ New Zealand Investments Limited	9,726,082	5.26%
Milford Asset Management Limited	9,384,362	5.07%

The following shareholders ceased to be substantial shareholders during the period 1 June 2015 to 1 June 2016: New Zealand Superannuation Fund Nominees Limited on 7 October 2015, IOOF Holdings Limited on 2 November 2015 (due to Henderson Group plc's acquisition of Perennial Growth Management from IOOF Holdings Limited) and AMP Capital Investors (New Zealand) Limited and AMP Capital Investors Limited on 7 April 2016.

STATUTORY INFORMATION (CONT'D)

DISTRIBUTION OF SHAREHOLDERS

As at 1 June 2016

Range	Number of holders	Number of shares	%
1-1000	120	83,208	0.04
1001-5000	601	1,918,102	1.04
5001-10000	559	4,392,174	2.37
10001-50000	609	12,924,316	6.98
50001-100000	64	4,497,135	2.43
Greater than 100000	51	161,215,065	87.13
Total	2,004	185,030,000	100.00

VOTING RIGHTS

Section 15 of our Constitution states that a shareholder may vote at any meeting of shareholders in person or through a representative. Where voting is by a show of hands or voice, every shareholder present (or through their representative) has one vote. In a poll, every shareholder present (or through their representative) has one vote per fully-paid up

share they hold. Unless the Board determines otherwise, shareholders may not exercise the right to vote at a meeting by casting postal votes.

More detail on voting can be found in our Constitution at the following link:

<http://www.metroglass.co.nz/media/1493/metroglass-constitution-of-the-company.pdf>

TRADING STATISTICS

Metro Performance Glass Limited is listed on both the NZX and ASX.

The trading range for the period 1 April 2015 to 31 March 2016 are as follows:

	2016 (NZX)	2016 (ASX)
Minimum:	NZD\$1.30 (5 October 2015)	AUD\$1.15 (13 Oct 2015)
Maximum:	NZD\$1.90 (11 May 2015)	AUD\$1.85 (22 April 2015)
Range:	NZD\$1.30 - NZD\$1.90	AUD\$1.15 - AUD\$1.85
Total shares traded	99,002,100	1,546,900

STATUTORY INFORMATION (CONT'D)

DIVIDEND POLICY

Dividends and other distributions with respect to the shares are only made at the discretion of the Board of Metro Performance Glass. Any dividend can only be declared by the Board if the requirements of the Companies Act 1993 are also satisfied. The Board's decision to declare a dividend for shareholders in any financial year will depend on, amongst other things:

- + any statutory or regulatory requirements;
- + the financial performance of Metro Performance Glass;
- + one-off or non-recurring events;
- + Metro Performance Glass capital expenditure requirements;
- + the availability of imputation credits;
- + prevailing business and economic conditions;
- + the outlook for all of the above; and
- + any other factors deemed relevant by the Board.

Subject to the above, Metro Performance Glass intends to make dividend payments to Shareholders semi-annually, in respect of half years ending 30 September and full years ending 31 March. The dividend is currently expected to be approximately 55% to 75% of NPATA. However, the actual ratio of the dividend paid to NPATA is expected to vary over time reflecting the above factors. Metro Performance Glass intends to weight dividends to the second half, with the first half targeting 40% to 50% of the total expected dividend for the year. However, the split will vary according to actual and forecast NPATA and the factors described above.

It is the Board's intention to attach imputation credits to dividends to the extent they are available.

In respect of the 2016 financial year, Metro Performance Glass paid a full imputed interim dividend of 3.6 cents per share on 22 January 2016, and has declared a fully imputed final dividend of 4.0 cents per share which will be paid on 25 July 2016.

NZX AND ASX WAIVERS

Metro Performance Glass received confirmation of waivers from ASX that are standard for a New Zealand Company listed on the ASX (including confirmation that Metro Performance Glass may prepare and publish its financial information in accordance with New Zealand financial standards).

On 24 November 2015, Metro Performance Glass Limited changed its ASX admission category from an ASX Listing to an ASX Foreign Exempt Listing. This change followed amendments to the ASX Listing Rules announced on 10 September 2015 that allow an entity with its primary listing on the NZX Main Board to alleviate its compliance burden as a dual listed entity. The ASX Foreign Exempt Listing category is based on a principal of substituted compliance, recognising that for secondary listings, the primary regulatory role and oversight rest with the home exchange. Metro Performance Glass continues to have a full listing on the NZX Main Board.

STATUTORY INFORMATION (CONT'D)

DIRECTORS' REMUNERATION

The total remuneration and other benefits to Directors (and past Directors) for services for the period ended 31 March 2016 were as follows:

Director	Position	Appointed/ Resigned	2016 total remuneration
Sir John Goulter	Independent, Non-Executive Chairman, Member of Audit and Risk Committee	Appointed 5/07/14	160,000
Nigel Rigby	Executive Director and Chief Executive Officer	Appointed 5/07/14	- *
Willem (Bill) Roest	Independent, Non-Executive Director, Member of Audit and Risk Committee	Appointed 5/07/14	90,000
Russell Chenu	Independent, Non-Executive Director and Chairman of Audit and Risk Committee	Appointed 5/07/14	100,000
Michael Alscher	Non-Executive Director	Appointed 31/03/15	80,000
Gordon Buswell	Independent, Non-Executive Director	Appointed 6/10/15	38,788
Michael Baster	Alternate Non-Executive Director	Appointed 24/02/16	Nil

The Director fee pool for a full financial year has been set at \$600,000.

*The CEO, Nigel Rigby received \$500,000 in total remuneration during the twelve month trading period to 31 March 2016.

DIRECTOR ATTENDANCE

The individual attendances of Directors at Board and Committee meetings for the year to 31 March 2016 is as follows:

Director	Board meetings attended	Audit Committee meetings attended	Appointed/ Resigned
Meetings held	14	5	
Sir John Goulter	14 (c)	4	Appointed 5/07/14
Nigel Rigby	13	Not applicable	Appointed 5/07/14
Willem (Bill) Roest	14	5	Appointed 5/07/14
Russell Chenu	14	5 (c)	Appointed 5/07/14
Michael Alscher	10	Not applicable	Appointed 31/03/15
Gordon Buswell	7	Not applicable	Appointed 6/10/15
Michael Baster	1	Not applicable	Appointed 24/02/16

(c) indicates chairperson

STATUTORY INFORMATION (CONT'D)

DIRECTORS' INTERESTS

Directors' interests recorded in the Interests Register of the Company as at 31 March 2016 are set out as follows:

NATURE OF INTEREST

Sir John Goulter KNZM, JP

Marsden Maritime Group Limited	Director
Marsden Maritime Holdings Limited	Chairman
New Zealand Business and Parliament Trust	Chairman
Northport Limited	Chairman
Opuia Commercial Estate Limited	Director / Shareholder
Packard House Limited	Director / Shareholder

Michael Thomas Alscher

Australian Clinical Laboratories	Chairman
Breezway Australia Pty Limited	Director
Cardno Limited	Chairman
ClearView Limited	Director
Crescent Capital Partners III (Belgium) BVBA	Director
Crescent Capital Partners Management Pty Limited	Director
Crumpler Pty Limited	Director
GroundProbe Pty Limited	Director
National Dental Care Pty Limited	Chairman
Southern Sun Pty Limited	Chairman

Michael Lawrence Baster (alternate for Mr Alscher)

New Zealand Panels Group Limited	Director
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Gordon John Buswell

Building Industry Federation	Chairman
Construction Strategy Group	Deputy Chairman
Quad Concepts Limited	Strategic Advisor
Platinum Homes Limited	Chairman
Registered Master Builders Association	Director
About Direction Limited	Director / Shareholder

STATUTORY INFORMATION (CONT'D)

Russell Langtry Chenu

5R Solutions Pty Limited	Director
CIMIC Group Limited	Director
James Hardie Industries plc	Director
Reliance Worldwide Corporation Limited	Director

Nigel James Rigby

Canterbury Glass & Glazing Limited	Director
Christchurch Glass & Glazing Limited	Director
Hawkes Bay Glass & Glazing Limited	Director
I G M Software Limited	Director
Metroglass Finance Limited	Director
Metroglass Holdings Limited	Director
Metropolitan Glass & Glazing Limited	Director
Taranaki Glass & Glazing Limited	Director

Willem Jan Roest

Fisher & Paykel Appliances Holdings Limited	Director
Housing Foundation Limited	Director
Synlait Milk Limited	Director
Synlait Milk Finance Limited	Director

STATUTORY INFORMATION (CONT'D)

DIRECTORS' SHAREHOLDING IN METRO PERFORMANCE GLASS LIMITED

The Directors' respective shareholding in Metro Performance Glass Limited as at 31 March 2016 is as follows:

	Number of shares directly held	Consideration paid	Date of acquisition
Sir John Goulter	20,000	\$34,000	29 July 2014
Russell Chenu	25,000*	\$42,500	29 July 2014
Nigel Rigby	5,143,401	Shares were provided in consideration for 4,000,000 Class C shares in Metroglass Holdings Limited	29 July 2014
Willem (Bill) Roest	25,000**	\$42,500	29 July 2014

* Held by Barratta Super Fund, of which Russell Chenu is the sole beneficiary.

** Willem Jan Roest is a legal owner of the securities as a trustee of the WJ and IJ Roest Family Trust, jointly with the other trustee, Ineke Joanna Henrietta Roest. Willem Jan Roest is also a beneficiary of the WJ and IJ Roest Family Trust.

Michael Alscher is a Director of Crescent Capital Partners Management Pty Limited which has the power to exercise, or control the exercise

of, the rights attached to 15,294,430 shares. Michael Baster is also an employee of Crescent Capital Partners Management Pty Limited.

SUBSIDIARY COMPANY DIRECTORS

The following Companies were subsidiaries of Metro Performance Glass Limited as at 31 March 2016:

Company	Directors
Canterbury Glass & Glazing Limited	Nigel Rigby, John Fraser-Mackenzie
Christchurch Glass & Glazing Limited	Nigel Rigby, John Fraser-Mackenzie
Hawkes Bay Glass & Glazing Limited	Nigel Rigby, John Fraser-Mackenzie
I G M Software Limited	Nigel Rigby, John Fraser-Mackenzie
Metroglass Finance Limited	Nigel Rigby, John Fraser-Mackenzie
Metroglass Holdings Limited	Nigel Rigby, John Fraser-Mackenzie
Metropolitan Glass & Glazing Limited	Nigel Rigby, John Fraser-Mackenzie
Taranaki Glass & Glazing Limited	Nigel Rigby, John Fraser-Mackenzie

DIVERSITY

In accordance with NZX requirements, our reported gender breakdown at Senior Leadership and Board level as at 31 March 2016 is:

	Female	Male	Total	% Female
Board	0	7	7	0%
Senior Leadership Team	0	6	6	0%

STATUTORY INFORMATION (CONT'D)

EMPLOYEE REMUNERATION

During the twelve months ended 31 March 2016 the following employees and former employees received individual remuneration over \$100,000:

Remuneration range	Number of employees
\$100,000 – \$110,000	13
\$110,000 – \$120,000	8
\$120,000 – \$130,000	8
\$130,000 – \$140,000	6
\$140,000 – \$150,000	7
\$150,000 – \$160,000	7
\$160,000 – \$170,000	1
\$170,000 – \$180,000	2
\$180,000 – \$190,000	4
\$190,000 – \$200,000	1
\$200,000 – \$210,000	1
\$240,000 – \$250,000	1
\$310,000 – \$320,000	1
\$340,000 – \$350,000	2
\$500,000 – \$510,000	1
	63

CURRENCY

Within this Annual Report, all amounts are in New Zealand dollars unless otherwise specified.

CREDIT RATING

We have not requested a credit rating.

ANNUAL SHAREHOLDER MEETING

Our annual shareholder meeting will be held on 24 August 2016 in Auckland. We will confirm the time and place by notice to all our shareholders nearer to that date.

ANNUAL REPORT

Our Annual Report and Interim Reports are all available on our website at <http://www.metroglass.co.nz/investor-centre/annual-interim-reports/>. We will email our Annual Report to those shareholders who have opted for e-communication with us and our share registry. We prefer to communicate with our shareholders by email without using up valuable printing resources and postage costs, but any shareholder who does request a hard copy of our Annual Report will be sent one in the regular post.

COMPANY DIRECTORY

REGISTERED OFFICE

5 Lady Fisher Place
East Tamaki
Auckland 2013
New Zealand
Email: glass@metroglass.co.nz
Phone: +64 (09) 927 3000

BOARD OF DIRECTORS

Sir John Goulter – Chairman,
Member of Audit and Risk Committee
Nigel Rigby – Executive Director and
Chief Executive Officer
Willem (Bill) Roest – Non-Executive Director,
Member of Audit and Risk Committee
Gordon Buswell – Non-Executive Director
Russell Chenu – Non-Executive Director and
Chairman of Audit and Risk Committee
Michael Alscher – Non-Executive Director
Michael Baster – Alternate Non-Executive
Director for Michael Alscher

SENIOR LEADERSHIP

Nigel Rigby – Chief Executive Officer
John Fraser – Mackenzie – Chief Financial Officer
Geoff Rasmussen – General Manager, Operations
Dean Brown – North Island Region Manager
Barry Paterson – South Island Region Manager
Len Hatton – General Manager, People
& Organisational Development

AUDITOR

PricewaterhouseCoopers
22/188 Quay Street
Auckland 1142
New Zealand

LAWYERS

Bell Gully
Vero Centre
48 Shortland Street
Auckland 1140
New Zealand

BANKERS

ANZ Bank New Zealand Limited

SHARE REGISTRAR

Link Market Services
Level 11, Deloitte Centre
80 Queen Street, Auckland 1010
PO Box 91976, Auckland 1142

Other Information

Please visit us at our website:
www.metroglass.co.nz

FURTHER INFORMATION ONLINE

This Annual Report, all our core governance documents (our Constitution, some of our key Policies and Charters), our Investor relations policies and all our announcements can be viewed on our website:

<http://www.metroglass.co.nz/investor-centre/>





