

COOKS GLOBAL FOODS SECOND QUARTER OPERATING METRICS

ESQUIRES DELIVERS PERFORMANCE IMPROVEMENTS



COOKS GLOBAL FOODS (NZAX:CGF) TODAY REPORTS ITS ESQUIRES COFFEE INTERNATIONAL NETWORK HAS MAINTAINED ITS STRONG RATE OF GROWTH IN SALES AND TRANSACTION VALUES THANKS TO CONTINUED GROWTH IN STORE NUMBERS AND A RESILIENT SAME STORE SALES PERFORMANCE.

Esquires Coffee constant currency sales** - a leading indicator of the revenue Cooks Global Foods generates from design fees (new stores) and recurring activities including royalties, coffee, product and other retail sales - increased 13.0% in the six months to 30 September 2016 to \$20.4 million, up from \$18.0 million in the same period of the prior year.

The increase was driven by a rise in store numbers to 90 at the end of September 2016 from 78 at the same time last year. It also reflected an increase in constant currency average transaction values to \$9.46 from \$9.13 a year ago as new and refurbished stores made a greater contribution to the network.

Transaction volumes did not rise as strongly as sales, in part due to a realignment of stores towards Esquires' Global Organic & Fairtrade branding and a strategic focus on lifting average transaction values by extending the range of Esquires' food and beverage choices. Esquires network same store sales for the six months to the end of

September 2016 were flat at \$15.9 million. Same store average transaction values increased 3.7% to \$9.46 from \$9.13 in the same period a year ago. Same store transaction volumes declined due to the store network re-alignment currently underway. All of the group's rebranded stores have shown strong same-store sales growth.



KEITH JACKSON

Executive Chairman

We are pleased with the progress we are making. The increase in average transaction values and same store sales growth indicates the potential of the Esquires brand in global markets.

Ireland, which grew total sales by 35% over the same period a year ago and same store sales by 18%, remains the standout territory for the Esquires network. Ireland's strong food and beverage offering is providing a model for Esquires globally.

In addition to the potential in continuing to extend the Esquires network, we see plenty of opportunity to accelerate growth in the existing network. This is particularly the case in the Middle East, where the performance in some territories is below what we believe we can achieve

Since the end of June, when the Esquires network stood at 88 stores, Esquires has opened six new outlets including two in Ireland, two in the United Kingdom, one in Kuwait and one in China.



The new stores in Buckingham and Bradford in the UK, which are excellent examples of the new brand's concept and look and feel, are performing well and delivering sales ahead of expectations.

The store openings were offset, by four store closures over the period

including three in China and one in the UK. Cooks is constantly assessing its portfolio of stores, ensuring it is always optimised for changing tastes, customer demands and changes in local markets.

In China, for instance, expanding the food offering allows us to extend store opening hours, creating a meeting place, particularly for the younger generation. The store closures in China reflect our determination to focus on those stores that can profitably accommodate this expanded service offer.

Meanwhile, we have an encouraging pipeline of new stores underway, including five under construction in different territories and another ten stores in planning or design. Findlater House store on O'Connell Street in Dublin just opened last week and two new stores are expected to open in Abhu Dhabi and Beijing by the end of this month.

Our Esquires Coffee business continues to grow strongly, giving us confidence for the long term prospects for the group.

ESQUIRES COFFEE OPERATING METRICS*

STORE NUMBERS

as at 30 September

2016

90

2015

78

CHANGE

15%

SIX MONTHS TO 30 SEPTEMBER

TOTAL NETWORK

30 SEPT 2016

30 SEPT 2015

VARIANCE

Esquires Coffee Store sales**	NZ\$20,359,252	NZ\$18,009,393	13%
Transactions	2,134,189	1,935,194	10.3%
Average transaction value**	NZ\$9.63	NZ\$9.42	2.2%

SAME STORE

30 SEPT 2016

30 SEPT 2015

VARIANCE

Esquires Coffee Store sales**	NZ\$15,949,675	NZ\$15,833,582	0.7%
Transactions	1,685,898	1,734,785	-2.8%
Average transaction value**	NZ\$9.46	NZ\$9.13	3.7%

THREE MONTHS TO 30 SEPTEMBER

TOTAL NETWORK

30 SEPT 2016

30 SEPT 2015

VARIANCE

Esquires Coffee Store sales**	NZ\$10,364,008	NZ\$9,154,951	13.2%
Transactions	1,071,938	966,958	10.9%
Average transaction value**	NZ\$9.67	NZ\$9.47	2.1%

SAME STORE

30 SEPT 2016

30 SEPT 2015

VARIANCE

Esquires Coffee Store sales**	NZ\$7,990,911	NZ\$7,936,337	0.7%
Transactions	833,887	858,538	-2.9%
Average transaction value**	NZ\$9.58	NZ\$9.24	3.7%

*Includes contribution of three Canadian stores from July 2015

**In order to remove foreign exchange fluctuations, current and prior period sales and transaction values are calculated using a moving average exchange rate for the 12 months to 30 September 2016. As a result, the operating metrics above are not directly comparable with the 1Q 2017 metrics as disclosed to the NZX on 22 August 2017, which use a moving average exchange rate for the 12 Months to 30 June 2016.



ABOUT COOKS GLOBAL FOODS

Cooks Global Foods operates in world markets and is listed on the NZAX market operated by NZX Limited in New Zealand under the code CGF. It owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia. Cooks currently operates or franchises Esquires Coffee Houses in the United Kingdom, Ireland, the Middle East, South East Asia and China. Related businesses within the group include New Zealand-based supply companies Progressive Processors and Scarborough Fair, which supply product into both Esquires Coffee stores and other third party customers.

See: www.cooksglobalfoods.com

FOR FURTHER INFORMATION

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