



Panui No. 15

MANGATU SHAREHOLDERS HUI A TAU UPDATE

Ko Maungahaumi te maunga

Ko Mangatu te awa

Ka tere ki te wai o Paoa

Ka Kopututea te putanga ki te Moananui a Kiwa

Tihei mauriora

Nga Rangatira, Nga Kaitiaki o nga whenua o Mangatu. Tena koutou katoa.

Mangatu's Hui a tau was held at the Mangatu Blocks offices on Friday 17 February 2017. The Hui was well attended by 120 owners who asked many questions throughout the Hui. It was pleasing to see so many owners who had travelled from outside the district to attend this year. This panui provides an overview of some of the information that was presented at the Hui

Vision

Build and grow the Mangatu legacy
for current and future generations

Kia noho hei kaitiaki mo nga papa whakatipu, hei whakakao i nga taonga hei
oranga mo nga whakatipuranga e whai ake nei



To be guardians of our ancestral lands optimising resources to create a
sustainable future for our people

.Committee of Management Elections

Tama Brown and Jacob Haronga were re-elected unopposed for a further three year term.

Mangatu Group Financial Performance

This is how we are doing over the last financial year, ending 30 September 2016:

\$ millions	2016 Year	2015 Year
Net Profit before Tax	\$18.6	\$6.1
Net Assets	\$180.1	\$170.4
Operating Cash Flow	\$4.4	\$1.6

Key comments are:

- Mangatu achieved a record profit of \$18.6 million made up of operating cash surplus of \$4.4 million and \$14.2 million potential profit (non-cash) from forestry valuations.
- The growth in Mangatu’s assets continues its vision to build and grow its ancestral lands and associated business for the benefit of current and future owners of Mangatu.
- Operating cash flow is growing and the Committee and management are hopeful of being able to continue this trend.
- The requirement for investment capital is increasing with the growth of the Canadian operation and investment in the NZ operation.

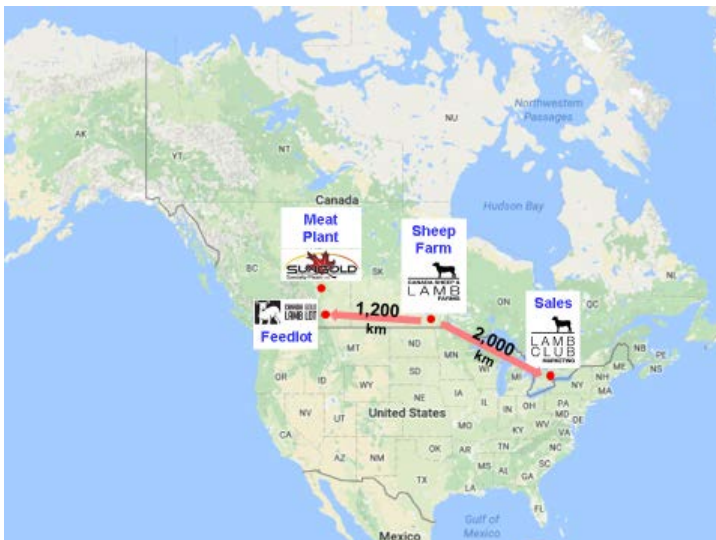
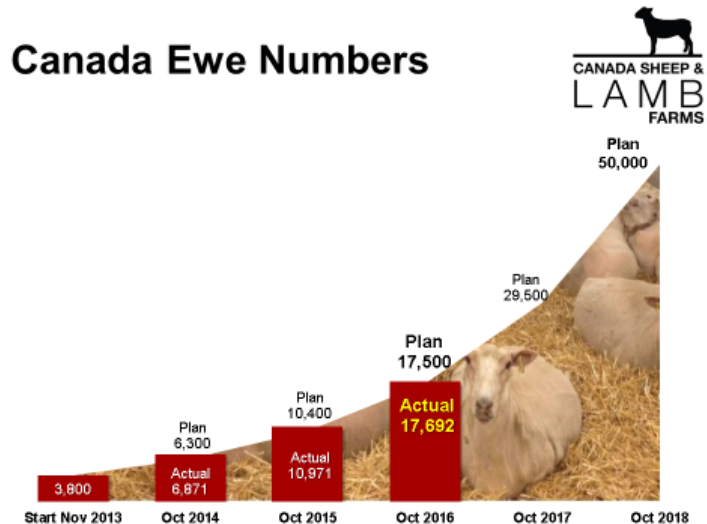
Your Mangatu legacy is therefore strong and stable and very well positioned to continue to build and grow for the foreseeable future.

Farming and Food Businesses

The Integrated Foods Group (IFL) reported a loss of \$1.8 million primarily as a result of the building of the Canada operation. A new cold store was built and commissioned at the Fresh Meats site in Napier and this will lower costs of handling as well as improve cold chain management and thus increasing shelf life.

Total lamb processing at the Napier plant was down slightly from last year, at close to 236,000 head, and the IFL farming operation in Gisborne supplied close to 30% of that number.

The Canadian farming operation continues to grow to plan and expected to reach 50,000 breeding ewes in two years’ time. The current Canadian farming operation is based near Winnipeg, in the centre of the country, and lambs are currently finished and processed under contract about 1,200 km to the West.



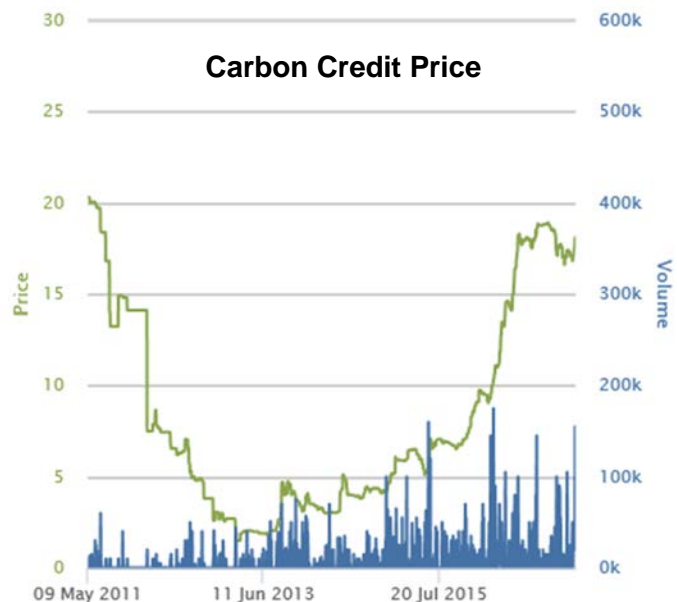
of the country, and lambs are currently finished and processed under contract about 1,200 km to the West.

The major markets are located in the Eastern part of the country around the Toronto area where we have established a sales and marketing presence.

Forestry Business

The forestry business was the stand out performer for the Mangatu Group last year and there was significant growth in the value of the forest estate. The log harvest program began which is likely to carry on for a good number of years.

Another significant source of forestry related income was the sale of excess carbon credits through the Emissions Trading Scheme. The value of these credits had declined to \$1.50 in 2013 but have recently been trading in excess of \$18, a price at which Mangatu took advantage of and sold a number of units.



Mangatu Forest Claim

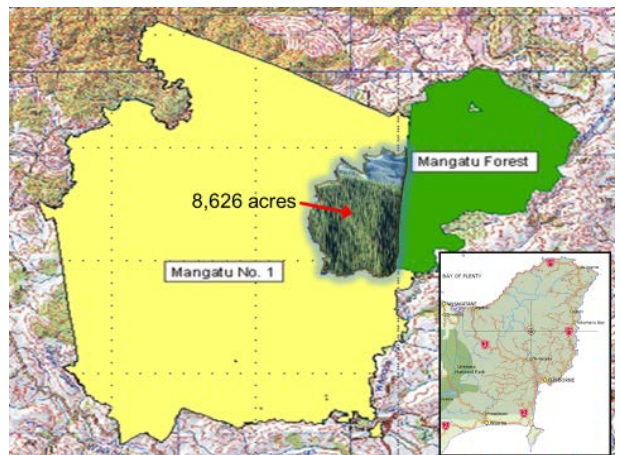
Jacob Haronga, the Claim Sub-Committee Member, updated the Hui on progress with the Treaty claim. The overarching objective of the Committee of Management remains the return of the 1961 lands, and associated compensation.

The Hui was informed that Mangatu and Mahaki had been successful in its joint legal action in the Court of Appeal in July last year. The Court of Appeal decision threw out the Crown's appeal of the High Court decision in our favour and awarded costs against the Crown.

The Crown has subsequently decided not to appeal the decision to the Supreme Court. This will save Mangatu and Mahaki from having to take further court action to secure a decision from the Waitangi Tribunal.

The Hui continued to support the Mangatu Committee in pursuing the Claim by approving the following two recommendations:

1. To continue to support and authorize the Committee of Management to pursue the return of the land lost from the Mangatu No 1 Block in 1962, and
2. To approve net costs incurred to 30 September 2016 of \$120,634.





It is useful to remember this journey started in 1992 when our Claim was tabled as part of the wider Turanganui a Kiwa Claim. When it looked like Mahaki were going to settle our Forest Claim as part of the wider Turanganui Claim around 2008, your Committee took action to protect its position. Mangatu and Mahaki are now looking to jointly prepare and go back to the Waitangi Tribunal, in Mangatu's case for the 4th time, to hopefully expect the Tribunal to do the role expected of it under the special jurisdiction of the Crown Forest Assets Act, and that is that Mangatu and Mahaki achieve their respective goals.

The map should remind us that the 8,626 acres taken from us in 1962 was an integral part of Mangatu No 1 Block and the only land lost to us since Mangatu was "officially" incorporated in 1893.

Office Renovations.

The Mangatu Gisborne offices on Childers Road were renovated during the year and the work included:

- All windows replaced as they had passed their use by date,
- A new reception area,
- The office space revamped to improve working conditions for staff,
- Better use of the kitchen off the conference hall,
- Refresh of all toilet facilities,
- Roof leaks were repaired.

Our offices have served us well for 35 years and the renovations should hopefully extend our occupancy for another 20 years or so.

Education

Dickie Farrah, Education Sub-Committee member, showcased Mangatu's investment in education which has been a regular feature of distributions to our children over many years.

Mangatu's education vision is:

Whāia te Mātauranga hei oranga mō koutou

Seek knowledge for the sake of your well-being






Over the last three years, Mangatu has provided the following education grants to approved students attending secondary school and tertiary institutions.

Year	Number of Students	Total Grants
2014	206	\$40,228
2015	177	\$72,450
2016	223	\$87,000
3 Year Total	606	\$199,678

Mangatu has invested in two scholarships along with Ravensdown Fertilizer who has invested in one additional scholarship. These scholarships are valued at \$5,000 per year for three years so a new scholarship is awarded each year

The scholarship is granted to those top students who excelled in areas of direct relevance to Mangatu's growing businesses.

The recipients so far and the qualifications they are pursuing are:

<p>2012 Hinemihiaata Lardelli</p>		<p>Victoria University Bachelor of Commerce Major in Commercial Law and Māori Business Bachelor of Arts Major in Māori Studies RAVENSDOWN Scholarship Support \$5,000 per annum for 2012 - 2014</p>
<p>2013 Waiariki Koia</p>		<p>Otago University Bachelor of Commerce Major in Marketing & Management Bachelor of Science Major in Information Science MANGATU Scholarship Support \$5,000 per annum for 2013 - 2015</p>
<p>2014 Courtney Ruth-Gill</p>		<p>Waikato University Bachelor of Science Major in Biotechnology MANGATU Scholarship Support \$5,000 per annum for 2014 - 2016</p>
<p>2015 Roland Brown</p>		<p>Auckland University Co-Joint Bachelor of Commerce & Science Major in Chemistry, Accounting and Commercial Law RAVENSDOWN Scholarship Support \$5,000 per annum for 2015 - 2017</p>
<p>2016 Nikki Kennedy</p>		<p>Waikato University Bachelor of Science (Media & Creative Technologies) Major in Te Reo Māori & Design Media MANGATU Scholarship Support \$5,000 per annum for 2016 - 2017</p>



When the scholarship recipients were asked for words of inspiration for those thinking about tertiary study, their comments included:

"...follow subjects you are passionate about..., ...make the most of any opportunity offered to you...,...remember during the hard work of study that everything will be okay in the end...,"

All candidates have excelled in their chosen areas of study and have each spoken at a Hui a Tau. The latest recipient Nikki Kennedy spoke at this year's Hui and she inspired the Hui with these words:

"If you are thinking about heading into tertiary study, starting a business, or want to open a new chapter in your life, I encourage you to be courageous, have faith and take one small step followed by another.

Sooner or later you will reach your goals."

Our future is looking very good with these upcoming leaders.

Conclusion

Feedback from those who attended was positive and many said they were excited at the progress Mangatu is making in building and growing your legacy.

We encourage more of our owners to take the time to attend future Hui as it's a good opportunity to hear first-hand of our progress and to meet and mingle with other owners.

Te Whakamutunga

Ahakoia i roto nga piki me nga heke kei te pai te haere o nga mahi a Mangatu. He maha nga ngaru o te moana kei mua ia tatou, no reira, kia kaha tatou ki te hapai, ki te hoe i tenei o nga waka a te iwi kia u ai tatou ki uta, ara, kia whai oranga mo te iwi whai paanga ki tenei o nga whenua, a Mangatu.

Tenei te mihi atu ki era o nga whanaunga kua mene atu ki te po. Ko ratou te hunga kua huri atu ki tua o Te Arai, moe mai, moe mai.

He mihi ano tenei ki nga kaimahi me etahi atu ropu e awahi ana, e tautoko ana i nga mahi a Mangatu, e whai ake ana i nga kaupapa whakahaere kia noho pumau a Mangatu.

He mihi kau tenei kia koutou, te urupa o ratou e iri nei i runga i nga pakiwaitara o tenei to tatou whare tipuna. Kia tau iho nga manaakitanga o Te Runga Rawa ki runga kia koutou me a koutou whanau.

Na tenei ta koutou mokai

Alan Haronga
Chairman
Mangatu Blocks Committee of Management